

Governance

GRI 2-13

In the reporting year, Daimler Truck prioritized sustainability as the top management task and created clear responsibility structures for the topic of sustainability in the Group. The Board of Management meets on a regular basis as the Corporate Sustainability Board ("CSB") to discuss sustainability issues of importance to the company. Within the Board of Management, Chairman Martin Daum is responsible for the topic of sustainability in accordance with the allocation plan. The Supervisory Board advises and supervises the Board of Management, in particular with regard to sustainability issues. At the same time, some members of the Audit Committee have expertise in the area of sustainability reporting and its auditing. The management and organizational structures established in the 2021 reporting year are intended to strategically support our sustainability goals. For this purpose, the Sustainability Steering Committee ("SSC") was created across the board, as well as working groups for the focus topics E, S and G.

Within the Legal and Compliance department, a team for sustainability management deals with the relevant management issues. In addition to sustainability reporting, it is also responsible for the further development of the sustainable business strategy, human rights compliance and stakeholder management. This function reports to the Chairman of the Board of Management via the Company's Chief Legal and Compliance Officer.

Further relevant information can be found in the

[Declaration on Corporate Governance](#).

Principles and policies

GRI 2-23

We have anchored our values and principles in our Declaration of Principles on Social Responsibility and Human Rights, as well as in our overarching Daimler Truck Code of Conduct and in other topic-specific policies.

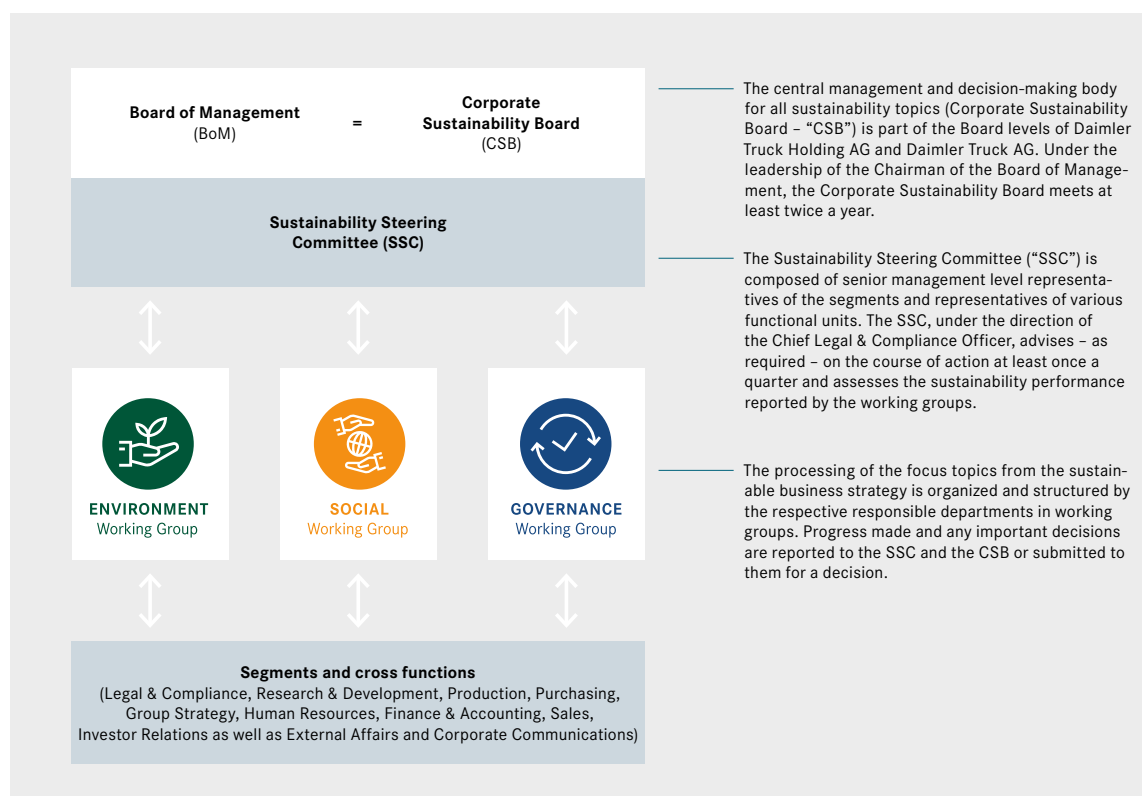
By policies we mean the overarching in-house regulations of the Daimler Truck Group that provide the Group's framework and which are directly binding for all employees and members of executive bodies defined in the scope of application.

Specifications on responsibilities, process, quality, translation, approval, implementation and discontinuation, communication and documentation of policies are laid down in the Policy Management Manual.

The House of Policies ("HoP") is the official platform for the entire Daimler Truck Group to create a transparent, effective and legally compliant policy landscape throughout the Group. All employees have access to the HoP and corresponding training courses are also offered.

B.25

Governance Structure



Compliance

GRI 2-27, 3-3, 205-1/-2/-3, 206-1, 207

SDG 16

We are convinced: Only those who act ethically and legally responsible will remain successful in the long term. Compliance with rules and a corresponding compliance culture therefore assume a high priority at Daimler Truck.

Compliance and responsible corporate governance are in line with our understanding of sustainable business. Daimler Truck has therefore implemented an established Compliance Management System ("CMS"), which comprises programs and processes to comply with legal requirements and to prevent misconduct. Daimler Truck informs and raises the awareness of its employees on compliance issues through numerous training measures and communication campaigns.

Compliance management focus areas

Value-based compliance is an indispensable part of our daily business activities and means that we aim to comply with laws and internal regulations. Our intention is to encourage compliant conduct throughout the entire company around the world by taking specific measures. In the following, we explain how we are pursuing our main objectives, what are the regulations and policies providing us with orientation in this regard, and which specific measures we are implementing.

The main objectives of our Group-wide compliance activities are:

- Combating corruption
- Preserving maintaining and promoting fair competition
- Ensuring compliance with technical and regulatory requirements
- Respecting and supporting human rights
- Adherence to data protection laws
- Preventing money laundering and terrorist financing
- Complying with sanctions and export regulations

Combating corruption

The objective of our compliance measures is to minimize corruption in all business activities. We therefore critically examine our business partners and transactions and deal with authorities and public officials in a particularly sensitive manner.

An important component of our anti-corruption compliance management system is Transparency International's Corruption Perception Index. We see increased corruption risks in the area of sales activities in high-risk countries as well as in our business relations with authorized dealers and general distributors worldwide.

Maintaining and promoting fair competition

Our Group-wide Antitrust Compliance Program is oriented to national and international standards to ensure fair competition. It comprises a binding, globally valid Daimler Truck Group standard that defines how matters of antitrust law are to be assessed and how the work with industry associations has to be carried out. It is based on the standards of the underlying

European regulations and takes into account established legal practice at European antitrust authorities, as well as the rulings of European courts.

Additional guidelines and practical toolkits are also intended to support our employees worldwide in recognizing situations that are critical under antitrust law and acting in accordance with the regulations. This is particularly important when employees deal with competitors, cooperate with dealers and general distributors, and participate in trade association work.

Ensuring compliance with technical and regulatory requirements


Product compliance for Daimler Truck means compliance with technical and regulatory requirements, standards and laws that are relevant to business activities around the world.

Our objective is to identify risks within the product creation process - i.e., in product development and certification - as well as in product reliability process at an early stage, including the implementation of preventative measures. In doing so, we take into account the fundamental spirit of laws and regulations as well as internal specifications and processes in development and production as well as after the vehicles have been placed on the market.

The Product Compliance Management System ("PCMS") defines principles, structures and processes in order to provide our employees with certainty and guidance, especially in terms of challenging questions on how to interpret technical regulations. Furthermore, the PCMS also includes minimum standards for handling our products in the field regarding safety, regulatory conformity and emissions issues.

Respecting and supporting human rights

We are strongly committed to respect and support human rights and we also expect this from our business partners throughout the value chain. With our Human Rights Compliance Management System ("Human Rights CMS"), we pursue a systematic approach to fulfilling our human rights due diligence obligations. The Human Rights CMS is based on internationally recognized standards, such as the United Nations Guiding Principles on Business and Human Rights ("UNGPs"), which are the basis for regulatory and legislative business and human rights efforts worldwide.

As part of the CMS, we systematically review on a risk basis whether human rights are respected in our controlled Group companies and in our supply chain, and have defined various measures, both to prevent and minimize potential adverse impacts on human rights through our companies and our business activities, and to remedy them. Further information can be found in the chapter  [Human rights](#).

▼ Adhering to data protection laws

At Daimler Truck, data and the systematic evaluation of data are the basis for new business models, innovative technologies and efficient processes. However, data not only opens up business opportunities, but its handling requires special care as comprehensive data protection requirements apply both in Europe and globally.

In the year under review, we at Daimler Truck adopted a commitment to data responsibility which defines a clear framework on how we handle data based on the three guiding principles of “added value for the customer”, “business potential” and “responsible use of data”.

The Chief Data Privacy Officer performs the tasks defined by law to comply with data protection regulations.

Daimler Truck’s “Global Data and Information Policy” lays the foundation for responsible and legally compliant handling of information and data worldwide. It defines a binding minimum standard for all Group units. Besides that, the requirements of the EU General Data Protection Regulation and the applicable local data protection laws are to be considered.

At the same time, our Data Compliance Management System supports the Group in systematically planning, implementing, and continuously monitoring measures to ensure compliance with the data protection requirements.

Daimler Truck has established a central reporting procedure for all information security incidents: The Information Security Incident Management Process. Employees and contractors are instructed to report all potential personal data breaches and information security violations via this process. During the year under review, a small number of cases were reported to the responsible data protection authorities. This did not result in any official measures against the company.

The contact details of the Chief Data Privacy Officer are publicly available. Customers with data protection concerns can always contact the Chief Data Privacy Officer. In the year under review, Daimler Truck did not have any cases in which data protection supervisory authorities took action following a customer complaint.

Preventing money laundering and financing of terrorism

The purpose of compliance in the prevention of money laundering and terrorist financing is both to prevent the placement of funds from criminal transactions into the legal economic cycle and the financing of terrorist associations via transactions with Daimler Truck. Therefore, we have implemented global minimum standards, processes and safeguards throughout the Group to comply with all applicable anti-money laundering laws.

Daimler Truck has appointed a Group Anti-Money Laundering Officer. He ensures compliance across divisions at Daimler Truck Holding AG and all of its Group companies and is responsible for Group-wide standards and processes pursuant to the German Anti-Money Laundering Act.

The Anti-Money Laundering Officer is assisted by two deputy Anti-Money Laundering Officers. One deputy is responsible for ensuring compliance measures for the prevention of money laundering and terrorist financing for the Industrial Business, while the other deputy is responsible for the segment Financial Services.

Complying with sanctions and export regulations

A central Group unit for export control, sanctions, anti-money-laundering and dangerous goods pursues a combined compliance approach with the aim to ensure all applicable personal sanctions (sanctions compliance) and goods-related sanctions (export control compliance) in the best way possible throughout the Group.

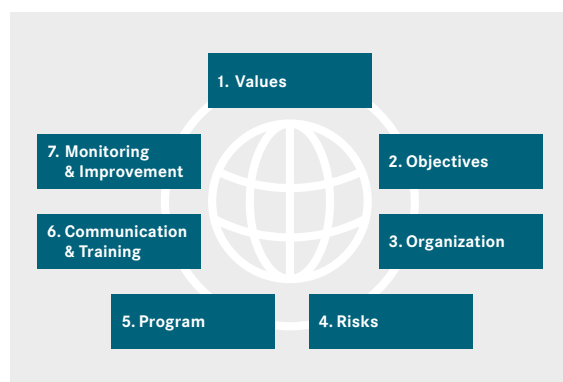
As a minimum standard of Daimler Truck, regardless of its applicability, the sanctions lists of the EU, the United Kingdom and the US (including the US Office of Foreign Assets Control (“OFAC”); US Bureau of Industry and Security (“BIS”)) are checked through an IT-system in every business transaction. Group-wide export control ensures, both through its worldwide internal policy and through its IT-supported export control management system, that applicable national and supranational export control prohibitions and licensing requirements are observed for all exports or shipments of export control-relevant goods initiated by Daimler Truck or controlled majority companies.

Compliance Management System

Through our Compliance Management System (“CMS”), we at Daimler Truck aim to promote compliance with regulations and policies at our company and to prevent misconduct. The measures needed for this are defined by our compliance and legal organizations in a process that also takes the Company’s business requirements into account in an appropriate manner. The CMS consists of basic principles and measures that ensure compliant behavior throughout the Company. It is based on national and international standards and is applied on a global scale at Daimler Truck. The CMS consists of seven elements that build on one another.

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The Daimler Truck Compliance Management System



Corporate culture and compliance values

We aim to ensure that all employees are aware of and comply with the applicable Code of Conduct and act responsibly, with integrity and in compliance with the rules. Our Group-wide Code of Conduct serves as a general benchmark for us: It sets out the guidelines for our actions and helps us to make the right decisions. The policy is binding for all employees of the controlled Group companies of Daimler Truck Holding AG, is available in ten languages and centrally. In 2022, the Code of Conduct was revised with the help of employees and aligned with the “Purpose Principles” of Daimler Truck. It was published at the beginning of February 2023.

Compliance objectives

The objectives of the compliance program are defined and under the responsibility of the Chief Legal and Compliance Officer and the Compliance Board on the basis of the compliance strategy. The compliance strategy is derived from the corporate objectives as well as from the applicable laws, regulations, voluntary commitments and the “Purpose Principles” of Daimler Truck.

For the individual compliance areas, this means minimizing corruption risks, antitrust risks, export control risks, risks from money laundering and violations of sanctions and terror lists, data protection, product conformity and human rights as well as specific environmental risks.

Compliance organization

The compliance organization of the Daimler Truck Group is organized regionally and along the functions. In this way, it can provide effective support – for example, through guidelines and recommendations. Functional or regional contacts are available for this purpose. Therefore, a global network of local contacts ensures that our compliance standards are upheld. The network supports the management of the Group companies in implementing our compliance program locally. In addition, the Compliance Board manages overarching issues and monitors whether our measures are effective. The Board has the task of responding at an early stage to changes in business models and in the business environment, picking-up on regulatory developments and continuously developing the CMS. The Compliance Board is composed of representatives of the Compliance and Legal departments, meets regularly and is chaired by the Chief Legal and Compliance Officer. He reports directly to the Chairman of the Board of Management of Daimler Truck Holding AG and reports regularly to the Board of Management of Daimler Truck Holding AG and Daimler Truck AG, to the Audit Committee of the Supervisory Board and to the Group Risk Management Committee. From the Company’s perspective, the compliance network’s independence from the segments is assured by the direct reporting line to Legal and Compliance department and to the Chairman of the Board of Management.

Compliance risks

Daimler Truck systematically reviews and evaluates all controlled Group companies and majority shareholdings globally and its own central units on a regular basis in order to minimize compliance risks. In doing so, centrally available data is accessed and, if necessary, local information. The results of the regular compliance risk evaluation form the basis of our risk controlling. We use these to implement targeted risk-minimizing measures worldwide. This risk management approach serves as a framework for all compliance fields. The risk analysis for Daimler Truck, which is valid for financial year 2022, was carried out before the spin-off from the former Daimler AG at the end of 2021 and forms the basis of our compliance risk management. The compliance risk management processes were adopted by Daimler Truck after the spin-off and adapted to its requirements in the reporting year.

Compliance program

Daimler Truck's compliance program comprises elements such as the Business Practices Office, business partner due diligence processes, compliance contractual clauses and other measures tailored to the respective compliance field in order to minimize risks and counteract violations of laws and rules. The individual measures are derived from the findings of our systematic compliance risk analysis. In this respect, we focus on, among other things: Continuous enhancement of awareness of compliance and adherence to relevant processes, consistent follow-up of reports of misconduct, and the formulation of clear requirements for the conduct of our business partners.

Reporting of rule violations via the BPO whistleblower system

GRI 2-27

The whistleblower system Business Practices Office ("BPO") enables employees of Daimler Truck as well as business partners and third parties around the world to report violations of regulations. Information can be submitted by email, post or by using a reporting form. In addition, external toll-free hotlines are available in Brazil, Japan, South Africa and the US. Reports can also be submitted anonymously if local laws permit this. In Germany, a neutral external intermediary is available for whistleblowers as an additional contact point. Reports to the BPO whistleblower system alert us to potential risks for the Group and its employees. This can prevent damage.

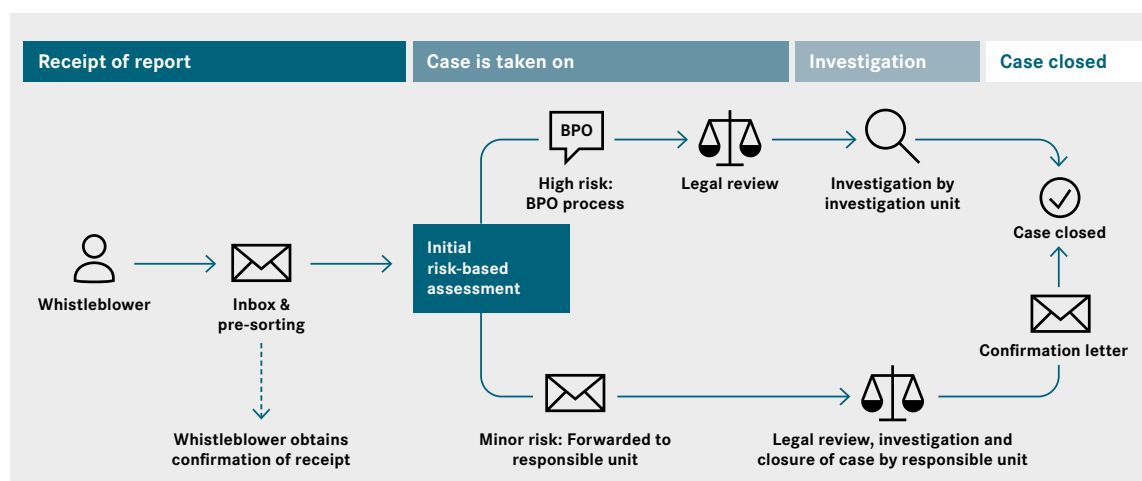
A globally valid corporate policy defines BPO procedures and the corresponding responsibilities. Its aim is to ensure a fair and transparent procedure that takes both the principle of proportionality for the person concerned and the protection of the whistleblower into account. The policy also serves as the standard by which we at Daimler Truck judge breaches of regulations and decide on consequences.

If, after an initial risk-based assessment, a notification is classified as a violation of the rules with a low risk for the Company, the BPO transfers the case to the responsible department, for example Human Resources, Corporate Security, or Corporate Data Protection. The relevant department follows up on the notification and clarifies the case under its own responsibility. Rule violations with a low risk for the Company include, for example, theft, embezzlement or personal enrichment with a value of less than €100,000 – provided that they do not fall into the category of corruption.

If the BPO classifies a notification as a high-risk breach of regulations, after a risk-based initial assessment, it then refers the case to an investigative unit. The BPO provides support for the subsequent investigation until the case is closed. Examples of high-risk rule violations include offenses related to corruption, breaches of antitrust law, and violations of anti-money laundering regulations, as well as violations of binding technical provisions or violations in connection with environmental regulations. Cases of sexual harassment, human rights violations, discrimination and racism are also among the high-risk rule violations. In order to constantly increase trust in our BPO whistleblower system and make it even better known to our employees, we are reporting and raising awareness about the BPO through a variety of communication measures.

B.27

Daimler Truck BPO process



- ▼ In the 2022 reporting year, 19 high risk cases were newly created via the BPO whistleblower system. Among the newly opened cases, two fell into the category of “corruption (passive)”, two in the category of “severe cases of sexual harassment” and two in the category of “severe injuries to physical and psychological integrity”. A further eight cases fell in the category of “theft (over €100,000)”, four in the category of “damage to reputation” and one in the category of “other high risks”.



In the 2022 reporting year, a total of 15 cases classified as “applicable/closed (partially) with merit” were closed. In these 15 cases, a specific initial suspicion had been confirmed. Three of these cases were in the category of “theft (over €100,000),” nine in the category of “damages (over €100,000),” and three in the category of “severe cases of sexual harassment.” The company decides here on appropriate measures in terms of proportionality and fairness. In the year under review, personnel measures included summary dismissals, disciplinary warnings and warnings with a reduction in variable remuneration, suspensions and voluntary termination.

Further information and contact details can be found on our

 [Website](#).

Sales partners and suppliers acting with integrity

In this regard, beyond the Group companies, we also formulate clear requirements for our business partners, because conduct with integrity and in compliance with rules is a prerequisite for trusting cooperation. When selecting our direct business partners, we therefore pay close attention to ensure that they comply with the law and that they pay the same attention in the supply chain. Our expectations of them have been set out in detail in the Business Partner Standards, which were revised during the reporting year and which we hand out to our business partners. In the Business Partner Standards, we also summarize all the requirements we place on our suppliers for sustainable action and formulate our expectations with regard to working conditions, respect and support human rights, the environment and safety, and compliance. Further requirements can be found in our “Daimler Truck Special Terms” (order conditions) and the compliance contractual clauses. We also provide our business partners with a specifically developed Compliance Awareness Module. The module raises awareness of current requirements and offers our suppliers and sales partners assistance in dealing with potential compliance risks. In accordance with the United Nations Guiding Principles on Business and Human Rights, we are working to ensure that business partners, especially direct suppliers, also respect human rights. Besides this, we are committed to ensuring that this is also the case with indirect suppliers and are taking appropriate measures.

We review direct business partners as part of risk-based due diligence processes. In the year under review, we audited all new sales partners. In addition, we use a permanent monitoring process to review all current sales partners with the aim of identifying possible conduct violations by sales partners. In the year under review, we also further developed our globally standardized and risk-based procedures for selecting and cooperating with suppliers, particularly in light of the German Supply Chain Due Diligence Act. Further information can be found on the  [Website](#) for our suppliers and in the chapters  [Green supply chain](#) and  [Human rights](#).

Internal information, communication and training measures

Daimler Truck offers a comprehensive range of training courses on compliance topics. Training needs are determined on a regular basis and adjustments as well as enhancements were carried out. The contents and topics of the training courses are tailored to the roles and functions of the respective target group. A web-based and target group-oriented training program is available for employees in administrative areas, consisting of a range of mandatory modules. Employees from production and production-related areas can voluntarily take part in the training program. The training modules are assigned when an employee is hired, promoted or transferred to a function that involves an increased risk. The web-based training measures are available worldwide via a Learning Management System ("LMS"). We are supplementing our web-based training program with face-to-face training, some of which we conducted in digital form in 2022. We also offer information and qualification measures for supervisory and management functions. As part of an executive onboarding program, we are providing information on legal and compliance topics in order to assist newly appointed Supervisory Board members and members of the executive management of the Group companies in their new role.

B.29

Compliance training program - web-based training courses





GRI 205-2

Basic Modules ¹	Number of participants ⁴
Antitrust Overview	40,962
Management Module ²	
Inclusion in Mind!	6,202
Expert Modules ³	
Compliance@Marketing and Sales	12,123
Compliance@Procurement	387
Insider Law	1,532
Product Compliance	8,499

- 1 This module is automatically assigned to all active employees (full-time and part-time employees) in the administration of Daimler Truck AG and controlled group companies who meet the IT requirements for carrying out training courses in the Daimler Truck Learning Management System.
- 2 This module is automatically assigned to all managers (full-time and part-time employees, level 4 and higher) of the administration of Daimler Truck AG and controlled group companies that meet the IT requirements for carrying out training courses in the Daimler Truck Learning Management System.
- 3 These modules are automatically assigned to relevant active employees (full-time and part-time employees) in the administration of Daimler Truck AG and controlled Group companies who meet the IT requirements for carrying out training courses in the Daimler Truck Learning Management System.
- 4 Number of participants shows the training completions in the Learning Management System.

B.28

Compliance Training Program

Management and employee training	
 Executive Onboarding Program for CEOs and CFOs of the Daimler Truck Group	<ul style="list-style-type: none"> - Onboarding with all newly appointed CEOs and CFOs (mandatory).
 Web-based compliance training program	<ul style="list-style-type: none"> - Centrally assigned basic, management and expert modules (mandatory) for employees in administrative areas of Daimler Truck AG and controlled companies taking into account the respective role, function and risk. - System-based reporting functions and automatic reminders to track completion of mandatory trainings.
 Face-to-face / virtual trainings	<ul style="list-style-type: none"> - The local Legal and Compliance network offers additional training in face-to-face and/or virtual formats as required - taking into account the local risk profile of the respective unit and the centrally available web-based training courses. The infrastructure for the documentation of these training sessions is provided centrally.
Compliance awareness for business partners	
 Compliance Awareness Module for suppliers and sales business partners	<ul style="list-style-type: none"> - The web-based Compliance Awareness Module is made available online to Daimler Truck suppliers and sales business partners. The content refers amongst others to our Daimler Truck Business Partner Standards. - The module explains our guiding principles for integrity and supports our business partners in dealing with potential integrity and compliance risks.

B.30**Compliance training program - face-to-face training courses^{1,2}****GRI 205-2**

Compliance fields	Number of participants
- Anti-Corruption	11,813
- Anti-Money Laundering	
- Antitrust	
- Compliance in General	
- Data Compliance	
- Export Control	
- Sanctions Compliance	

1 Face-to-face trainings were partly carried out in digital form.

2 Target group: Relevant managers and administration employees worldwide.

Monitoring and improvements

Daimler Truck reviews its CMS programs, processes and measures on the basis of an annual monitoring process and analyzes whether they are appropriate and effective. Centrally available data and, if necessary, local information is accessed. References to non-effective implementation of measures are recorded as part of monitoring and measures are defined for this purpose. If required by changing risks or new legal requirements, we adapt our processes and measures in the CMS.

The monitoring results and other possible measures are evaluated and approved by the Compliance Board. The compliance risk and monitoring process is carried out at Daimler Truck for all specified compliance fields. Compliance fields that are in the process of being set up are subject to an adequacy check. Moreover, compliance programs and processes along established areas are examined in regard to their effectiveness. ▲

In the reporting year, the described monitoring process and the annual adequacy and effectiveness review did not reveal any indications that the compliance program, processes or measures decided upon would not be appropriate or effective in the context of the company's risk situation.

▼ Furthermore, KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, audited the CMS of the former Daimler AG for anti-corruption, antitrust and technical compliance ("tCMS") in accordance with Auditing Standard 980 of the German Institute of Public Auditors. The audits were geared to appropriateness, implementation and effectiveness, and were successfully completed for the former Daimler AG, for CMS anti-corruption in 2019, for tCMS with a focus on emissions relevance in 2020, and for CMS antitrust in 2021 as a re-audit after the initial audit in 2016. In 2019, the design of the Data CMS was also audited. Selected units of Daimler Truck AG also participated in the decentralized effectiveness audit.

Risk and opportunity management**GRI 2-25**

Risk and opportunity management is an integral part of the Group-wide planning, management and reporting process. It is intended to support the achievement of the Company's goals in a sustainable manner and to raise awareness of risks in the Company. The ESG-related risks and opportunities that are linked to our own business activities, products, and services of Daimler Truck and that could very probably have serious negative impact on the non-financial aspects with regard to the CSR Directive Implementation Act ("CSR-RUG") can be found in the overall assessment of the risk and opportunity situation in the risk and opportunity report of the combined management report. There was no occurrence of serious non-financial risks in the year under review. Detailed information can be found in the [Risk and Opportunity Report](#). ▲

▼ Tax obligations

GRI 207

Daimler Truck sees itself as a responsible company that strives to comply with its worldwide tax obligations. In this context, we want to live up to our corporate values and to our social and ethical responsibility.

As part of the tax strategy of the Group, we pursue the following principles in particular, taking into account the economic and social impacts and in accordance with the corporate and business strategy:

- Through our actions, we want to ensure that the tax obligations of Group's companies are met and integrity standards are maintained through measures such as efficient, high-quality and reliable expertise, processes, systems, methods and controls.
- We live an active risk management for the Group and its operational employees through an appropriate Tax Compliance Management System ("Tax CMS").
- We pursue legal, active and non-aggressive tax planning based on economic grounds ("tax follows business"). This means that we, as a company, comply with our responsibility as a taxpayer. We also strive to work cooperatively, transparently, and constructively with the tax authorities. In the process, we maintain our legal standpoints and defend our interests wherever we believe such actions are appropriate and legitimate. The Group's tax strategy defines the limits of our actions, and this strategy is further specified and implemented by means of organizational and content-related policies, provisions, and instructions.

The worldwide responsibility for tax is allocated to the Head of Tax of Daimler Truck. Significant tax-relevant decisions are made in the Tax Compliance and Tax Risk Committee ("TCRC"), which the Chief Financial Officer is a member of. The TCRC is also kept informed on an ongoing basis about material tax issues.

The tax policies regulate the responsibilities, tasks and duties of the persons entrusted with tax matters at Daimler Truck. In addition, they provide concrete implementation guidelines for meeting relevant legal obligations and enhance our employees' awareness of tax-related issues. In accordance with the Group's Code of Conduct, intentional violations of external and/or internal tax requirements must be reported and followed up. The same applies to failure to correct incorrectly processed transactions.

The Group-wide Tax CMS is a defined sub-area of our general CMS and is the responsibility of the Tax department.

Tax risk management is also part of the Tax CMS. Its function is to monitor and check whether tax obligations are met. This risk management system, which is consistent across the Group, serves to identify and reduce tax risks within Daimler Truck and associated personal risks of the employees acting on behalf of the Group. It comprises numerous measures, such as ongoing monitoring or integration of tax risks in the internal control system and in the Group-wide risk management process in accordance with the risk management policy. In the year under review, we were not aware of any significant violations of tax laws that would have resulted in criminal proceedings.

- ▼ Environmental objective 4 - "Transition to a circular economy"
 - Activity 3.3: The possibility of using secondary raw materials and the possibility of a design for easy disassembly and durability must be taken into account for the relevant vehicles. In addition, hazardous substances must be traceable and a waste management established at the sites. In this context, various Group-internal guidelines and standards apply as well as, in individual cases, further suitable evidence. The issue of durability is anchored, for example, in the product development process. The "Group Standard for Waste Management" defines waste management across the Group.
 - Activities 6.3, 6.5 and 6.6: The criterion requires the existence of waste management measures, in particular at the end of a vehicle's life cycle.
 - Activities 6.5 and 6.6: Defined quotas of recyclable or reusable materials in the products must be complied with. If the quotas determined in accordance with the specifications reach the required threshold values, the technical screening criterion is considered to be fulfilled.

Environmental objective 5 - "Pollution prevention and control"

- Activity 3.3: The criterion is based on Appendix C of the Delegated Regulation (EU) 2021/2139. Appendix C refers to various European regulations out of the chemicals legislation. The defined substances are subject to restrictions on manufacture, placing on the market and use, both in terms of use at the sites and in the products. There are difficulties in interpreting the vague legal term "essential for society".
- Activities 6.3, 6.5 and 6.6: Compliance with certain tire categories in terms of rolling resistance and rolling noise shall be demonstrated. In the reporting year, appropriate analyses were performed for the relevant vehicles to provide the required evidence. If information on the tires is available and the corresponding classes are adhered to, the technical screening criterion is considered to be fulfilled.

Environmental objective 6 - "Protection of biodiversity and ecosystems"

- Activity 3.3: The criterion refers to Appendix D of Delegated Regulation (EU) 2021/2139, which defines requirements for the protection of biodiversity and biodiversity-sensitive areas in the vicinity of the sites. As part of the environmental due diligence audits, compliance with environmental permits is verified, among other aspects. The impact on nearby, sensitive areas is also examined. If required, measures are derived (for details, see chapter [Preventing pollution](#)).

During the assessment, the relevant technical screening criteria were analyzed, interpreted, the results documented and substantiated by corresponding evidence documents and calculations.

Minimum safeguards

As part of the audit of compliance with the minimum safeguards, the following topics were analyzed centrally:

- Human rights, including labor rights;
- Corruption and bribery;
- Taxation;
- Fair competition.

No increased risk was identified and assessed in this regard for the 2022 reporting year. For each potential risk area, preventive and, if necessary, remedial measures are already in place. As part of the due diligence processes, it was possible to demonstrate that there are no convictions in any of the four subject areas (for details, see chapter [Social](#)).

Reporting on the three performance indicators

Reporting on the KPIs required under the Taxonomy Regulation for turnover, CapEx and OpEx is shown in tables [B.52](#), [B.53](#) and [B.54](#). All activities are fully assigned to the environmental objective of "climate change mitigation". Furthermore, all activities can be clearly assigned to the respective economic activity according to the Taxonomy Regulation. This avoids double counting in the calculation of the overall performance indicators.

Further information

About this report

GRI 2-2/-3

The information in our chapter “Sustainability at Daimler Truck” relates to the entire Daimler Truck Group. Further information can be found in the section [Business model](#). The reporting period corresponds to our financial year, which runs from January 1 to December 31.

▼ Non-financial statement of the Group

GRI 2-5

The non-financial statement of the Group according to Sections 315b and 315c in conjunction with Sections 289c to 289e of the German Commercial Code (Handelsgesetzbuch or “HGB”) were subjected to a business audit to obtain limited assurance. It contains the essential information on the aspects of environmental concerns, employee concerns, social concerns, combating corruption and bribery, and respect for human rights in the chapter “Sustainability at Daimler Truck” as well as information on the [Business model](#) and non-financial risks in the [Risk and Opportunity Report](#). Part of the non-financial statement within the chapter “Sustainability at Daimler Truck” are the correspondingly marked texts and tables (▼▲). Other texts, tables, cross-references and content of external websites are additional information which are not part of the non-financial statement of the Group and therefore have not been audited.

Daimler Truck applies the guidelines of the Global Reporting Initiative (“GRI”) as a framework for external reporting. The contents of the non-financial Group statement in conjunction with further information that can be found in this report and on our website have been prepared in accordance with the GRI standards.

The GRI content index can be found on our [Website](#). In addition to the Sustainable Development Goals (“SDG”), on which we focus, we refer to other SDGs to which we contribute with our activities. Further information can be found on our [Website](#) under the heading “Sustainability”.

▼ A materiality analysis was conducted in 2022 to determine the relevant reporting content in accordance with sections 289c and 315c HGB. For details, please refer to section [Materiality analysis](#).

What has changed in this report?

GRI 2-4

Qualitative information in the report relates primarily to the 2022 financial year, while the key figures presented generally cover three years. The reporting date for the collection of quantitative data was December 31, 2022. Isolated deviations are marked in each case.

During the reporting period, further organizational changes occurred due to the spin-off of Daimler Truck AG in December 2021 from the former Daimler AG compared to the 2021 Report, so that comparability of the data with the previous Sustainability Report is only partially possible.

We see more integrated reporting as another important mechanism for further developing our sustainable business strategy. For this reason, we have decided to integrate aspects of sustainability into the Annual Report for the reporting year and have refrained from a separate sustainability report.

▼ EU taxonomy

Companies are obliged to apply the Taxonomy Regulation if they are required to prepare a non-financial statement in accordance with Articles 19a and 29a of the EU Accounting Directive, implemented by Section 289b Subsection 1 and Section 315b Subsection 1 of the HGB. According to this, Daimler Truck has been obliged to apply the Taxonomy Regulation since the 2021 reporting year. Daimler Truck applied the reporting requirements in accordance with the Taxonomy Regulation for the 2021 reporting year and exercised the relief provisions for the year of initial application, according to which only the taxonomy eligibility had to be reported. For the 2022 reporting year, Daimler Truck is publishing the full disclosures in accordance with the Taxonomy Regulation for the first time. Thus, in addition to the proportions of taxonomy-eligible and non-eligible economic activities, the proportions of taxonomy-aligned economic activities in turnover, investments (“CapEx”) and operating expenditure (“OpEx”) must also be disclosed.

Production-related energy and environmental data

GRI 305-1/-2/-4

The data in the Environment section is based on the Group structure as of the reporting date of December 31, 2022. This includes all production sites and selected test tracks and R&D sites of the Group companies controlled by Daimler Truck as well as selected joint ventures with 50% participation. Production sites include all “Completely Built Up” (“CBU”), “Completely Knocked Down” (“CKD”) and Remanufacturing (“Reman”) sites. There has been no retroactive adjustment of the figures for 2020 and 2021.

The environmental data is collected from the sites in our environmental data system. If in individual cases no actual values are available in February, estimates are made on the basis of the previous year's values and the change in production. Air emissions are measured regularly and extrapolated to the year, and VOC emissions are also calculated on the basis of various input or output parameters.

▲ Daimler Truck calculates and documents its CO₂ emissions according to the Corporate Accounting and Reporting Standard 2004 of the Greenhouse Gas Protocol Initiative, in accordance with the categories Scope 1 and Scope 2. Scope 1 and Scope 2 emissions are reported in accordance with the Control approach of the Greenhouse Gas Protocol.

Documented are all direct CO₂ emissions from our Company's own sources (Scope 1), indirect emissions resulting from the generation of the purchased electricity and district heat (Scope 2).

Scope 1: We calculate our direct emissions from the combustion of fuels, heating oil, natural gas, liquefied petroleum gas, and coal with fixed CO₂ emission factors as specified by the

Warranty and goodwill cases could arise in the Daimler Truck Group if the quality of products does not meet the requirements, regulations are not fully complied with, or support in the event of problems and product care cannot be provided in the required form. Such warranty and goodwill cases as well as quality problems both with components in vehicles and in connection with technical innovations on vehicles that require adjustments can lead to financial burdens. Possible claims in connection with such risks are examined and, if necessary, appropriate measures are initiated for the affected products.

Information technology risks and opportunities

The systematically pursued digitalization strategy opens up new opportunities for Daimler Truck and allows it to enhance customer benefits and the value of the Company. Nevertheless, the high penetration level of information technology ("IT") in all business areas also harbors risks for business and production processes as well as for their services and products.

The ever-growing threat posed by **cybercrime** and the spread of aggressive malicious code give rise to risks that can affect the availability, integrity and confidentiality of information and IT-supported operating resources. Despite extensive precautions, in the worst-case scenario, this can lead to a temporary interruption of IT-supported business processes with severe negative effects on the Group's earnings. In addition, the loss or misuse of sensitive data may under certain circumstances lead to a loss of reputation. In particular, applicable regulatory requirements such as the EU General Data Protection Directive ("EU-GDPR") may, among other things, give rise to claims by third parties and result in costly regulatory requirements and penalties with an impact on earnings.

For the globally active Daimler Truck Group and its comprehensive business and production processes, it is of vital importance that information is available, up-to-date, complete and correct and that it can be exchanged as needed. The Group's internal IT security framework is based on international standards and uses industrial standards and good practice as part of its protective measures. New regulatory requirements for cyber security and cyber security management systems are taken into account in the further development of our processes and policies.

Appropriately secure IT systems and a reliable IT infrastructure must be used to protect information. Cyber threats must be identified over the entire lifecycle of applications and IT systems, and dealt with in line with their criticality. Particular attention is paid to risks that could, at worst, result in an interruption of business processes due to IT system failures and/or the loss and corruption of data. The advancing digitalization and connectivity of production equipment is supplemented by coordinated technical and organizational security measures.

Due to growing demands concerning the confidentiality, integrity and availability of data, Daimler Truck has implemented a wide range of preventive and corrective measures in order to minimize the associated risks and limit possible damage. For example, the Group reduces potential interruptions of operating processes in data centers by means of mirrored data sets, decentralized data storage, outsourced data backups and IT systems designed for high availability. Emergency plans are developed and employees are trained and regularly sensitized in order to maintain operating capability. Specific threats are analyzed, and countermeasures are coordinated at a globally active Cyber Security & Response Center. The protection of products and services against the danger of falling prey to hacker attacks and cybercrime is under constant development.

Personnel risks and opportunities

The Daimler Truck Group is dependent on good **relationships with its employees, their trade unions as well as employee representative bodies and stakeholders** and is party to a number of collective agreements, some of which impose obligations and restrictions on the Daimler Truck Group in connection with reorganizations, restructurings or similar corporate actions and which it may not be able to extend, renew or replace in a favorable or timely manner or at all. Any deterioration of the relationships with trade unions, works councils and other employee representative bodies could adversely impact the Daimler Truck Group's business operations. The Group could face strikes or other types of conflicts with trade unions, works councils or its employees in the future. Any such strikes, conflicts, work stoppages or other industrial actions may disrupt the Group's production and sales activities, damage its reputation and adversely affect its customer relations.

Competition for highly qualified employees and managers continues to be very fierce in the industry and the regions in which Daimler Truck operates. The future success of the Daimler Truck Group also depends on the extent to which it succeeds in recruiting, integrating and retaining specialist staff. The established human resources instruments take such personnel risks into consideration. A particular focus of human resources management is the targeted personnel development and further training of the Company's workforce. In order to remain successful as a company, we continuously develop the way we work together and optimize our management culture.

Demographic developments are forcing the Group to deal with changes caused by an aging workforce and to secure a skilled new generation of specialists and future executives. Generation management addresses this by implementing measures that do justice to the scope of the issue. We counter economic, market and competitive fluctuations with the established time and flexibility instruments, enabling reactions that are suitable for the respective situation.

Efficiency improvements and cost savings are crucial for the Group to maintain its competitiveness and improve its profitability. The Group is in the midst of implementing a number of operational performance and cost-saving initiatives to address fixed and variable costs affecting profitability. These operational performance and cost-saving measures, or components thereof, may not deliver the intended benefits within the time the Group targets. This may result in implementation costs in excess of those originally budgeted by the Group and the actual results of the initiatives may differ from the targets. If the targeted operational performance and cost-saving measures are not fully realized or achieved within the intended time, this could have an adverse effect on the Group's profit margins.

Risks and opportunities related to associated companies and joint ventures

Cooperation with partners in associated companies and joint ventures is of vital importance for Daimler Truck, in the transformation towards both zero-emission mobility and comprehensive digitalization. Particularly in the case of new technologies, associated companies can help boost synergy effects and improve cost structures in order to successfully face the competition in the commercial vehicle industry.

The Daimler Truck Group generally participates in the risks and opportunities of associated companies and joint ventures in line with its equity interest. It is also subject to share-price risks and opportunities if those companies are listed on the stock exchange.

The remeasurement of an interest in an associated company can result in risks and opportunities related to the investor's carrying amount for the segment to which the associated company belongs. Risks can also arise from ongoing business activities, especially through the integration of employees, technologies and products. The Group's business and legal interests may not always be aligned with those of its associated companies and joint ventures and any of the Group's current or future associated companies or joint ventures may fail to be successful, achieve their planned objectives and meet their targeted timelines. In addition, further financial obligations or additional financing requirements could arise. Associated companies are subject to a monitoring process so that, if necessary, decisions can be promptly made on whether or not measures should be taken to support or secure profitability. The recoverable amounts of investments in associated companies are also regularly monitored.

Violations of regulations on anti-corruption, antitrust law, sanctions, export control, anti-money laundering and terrorist financing, product requirements, data protection and the handling of hazardous goods are sanctioned, e.g. with regulatory fines or criminal consequences. In addition, any violation can lead to negative media coverage and affect the Group's reputation.

Risks from legal proceedings

The subsidiaries of Daimler Truck Holding AG (especially Daimler Truck AG) are confronted with various legal proceedings, claims as well as governmental investigations and orders (legal proceedings) on a large number of topics. These include, for example, vehicle conformity and vehicle safety, dealer, supplier and other contractual relationships, financial services, industrial property rights (in particular patent infringement suits), warranty claims, and antitrust proceedings (including claims for damages). If the outcome of such legal proceedings is negative for the Daimler Truck Group or such proceedings are settled, the Group may be required to pay substantial compensatory and punitive damages or to undertake service actions, recall campaigns, monetary penalties or other costly actions. Legal proceedings and related settlements may have an impact on the Group's reputation.

Antitrust law proceedings (including actions for damages)

Mercedes-Benz Group AG, under the former name Daimler AG the former parent entity of Daimler Truck AG, was subject to an antitrust proceeding initiated by the European Commission. In July 2016, the European Commission issued a settlement decision against the former Daimler AG and four other European truck manufacturers for their participation in anti-competitive behavior in violation of European antitrust rules with regard to pricing and passing on the costs of compliance with strict emission rules for trucks. The European Commission found that Daimler AG participated in the relevant arrangements from January 17, 1997 to January 18, 2011. The individual fine imposed on Daimler AG by the European Commission's settlement decision amounted to €1.09 billion and was fully paid in 2016.

Following the settlement decision by the European Commission, legal actions, class actions and other forms of legal redress for damages by direct and indirect truck customers have been filed or initiated in several jurisdictions. Damage claims could result in substantial liabilities for the Daimler Truck Group as well as significant costs expended for defense measures, which may have a material adverse effect on the Daimler Truck Group's operations and its liquidity and capital resources.


In relation to the cartel infringement described above, most substantial claims (including certain types of class actions or aggregator claims) are pending or have been initiated in Germany, the United Kingdom, the Netherlands, and Spain. Claims are also pending in certain other European countries and in Israel (in a total of approximately 20 countries).

The Daimler Truck Group takes appropriate legal remedies to defend itself.

It cannot be ruled out that the regulatory risks and risks from legal proceedings discussed above, individually or in the aggregate, may materially adversely impact the profitability, liquidity and capital resources and financial position of the Group or any of its segments.

As legal proceedings are fraught with a large degree of uncertainty, it is possible that after their final resolution, some of the provisions that have been recognized for them could prove to be insufficient. As a result, substantial additional expenditures may arise. This also applies to legal proceedings for which the Group has seen no requirement to recognize a provision.

Although the final result of any such litigation may influence the Group's earnings and cash flows in any particular period, the Group believes that any resulting obligations are unlikely to have a sustained effect on the Group's financial position.

Further information on legal proceedings is provided in  [Note 31](#) of the Consolidated Financial Statements.