



“The Hamburg Summit: China meets Europe”

Keynote Speech
Sustainability Is All About Ensuring Success In the Future

by

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- Check Against Delivery -

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Dear Mrs. Degen, dear distinguished guests, ladies and gentlemen,

Good morning!

First, I want to thank the Hamburg Chamber of Commerce for the kind invitation.

It's my great honour to be here, speaking at the Hamburg Summit 2018 – THE major conference on China-Europe business, trade and relations outside China.

We have all enjoyed yesterday's speeches and panels, which were insightful and dedicated to the key aspects in the China-Europe relations. Today, I feel very humbled and privileged to have this opportunity to share with you what we as Daimler understand under sustainability as well as our endeavours in this area.

132 years ago, our company's founders, Gottlieb Daimler and Carl Benz, made history with the invention of the 1st automobile in the world. Being the pioneer of automotive engineering, we always remain committed to developing innovative and advanced technologies to provide safe and superior automotive solutions.

In our understanding, sustainability is nothing else than ensuring success in the future. That is exactly the very starting point of our sustainability strategy.

At Daimler, we bear responsibility for our employees, customers, shareholders, and other stakeholders. As a result, we have an obligation to be successful over the long term. But we won't be acting sustainably unless we pursue not only economic but also environmental and social goals.

Our sustainability strategy covers the aspects of legal and ethical standards, product responsibility, environment and climate protection, digitalization, responsible conduct, social responsibility and so on. We want to set standards when it comes to sustainability and address future issues today in a concrete and pragmatic way. Please let me give you a few examples:

First, as one of the major global car manufacturers, part of our goals is to provide safe and effective mobility solutions not only for the present, but also for the generations to come.

In order to achieve this goal, we put great emphasis on innovative concepts and environmentally sound product development. This approach ranges from intelligent lightweight construction, use of recycled and renewable raw materials, remanufacturing of components, and the development of assistance systems that can help to avoid traffic accidents.

In response to the Paris accord on climate protection aiming to limit global warming to 2 degrees Celsius, we are actively in the process of deriving specific targets for all of our production plants worldwide as well as for our product development with regard to CO2 emissions reduction. Currently we believe hybridization and electrification can be an important technical step to reduce CO2 emissions by automotive vehicles.

Therefore, we as Daimler have already made plans to substantially increase our investments in this field: Globally, Daimler is planning to invest more than 10 billion Euros in new electric vehicles in the next few years. By 2022, we will be offering at least one electrified alternative in every Mercedes-Benz production series in our car portfolio.

Let's take another example on China: Currently China is by far not only the largest single market for Daimler globally, the sales figures of Mercedes-Benz cars in this country from January to October this year is even more than that of USA and Germany combined! In addition to that, with a global NEV market share of over 50%, China is also the leading country of New Energy Vehicles in the world.

In order to cope with the development trend in China, Daimler has made the strategic decision to invest 5 billion RMB for local production of electric vehicles and batteries, together with our Chinese partner. Furthermore, we will also invest around 11.9 billion RMB into a 2nd production plant in Beijing for new Mercedes-Benz cars, primarily EQ electric cars.

As we all know, today's automotive sector worldwide is going through a period of unprecedented transformation that in our view offers, not only challenges, but also opportunities for us to shape the future of mobility.

By investing in digitalization, intelligent connectivity, and innovative mobility solutions and applying the latest technologies to our product and service, we are committed to making mobility of the future even more efficient, cleaner and safer.

With more than 2.7 million customers and about 14,000 vehicles, Daimler's Car2go is the global market leader in fully flexible car-sharing that helps the cities to reduce traffic congestion and emissions.

Daimler is also one of the pioneers in autonomous driving. We expect that automated vehicles will have positive impacts on road safety, driving comfort, drivers' behaviour during long-distance drives, the reduction of emissions, and individual mobility. Our goal is therefore to continue developing the requisite technologies in order to rapidly enable these systems to be installed in series-produced vehicles.

As the largest and most dynamic vehicle market, China, due to its clear policy-driven and pragmatic approach, plays a pivotal role for the development of autonomous driving in the world. Daimler is the first international automaker to receive the road test license for highly automated driving research vehicle (L4) in Beijing, and the collaboration with the local IT giant Baidu on Apollo project allows us to create solutions that will address China's specific conditions. In addition, we are also working together with Tsinghua University on sustainable transportation research, aiming to bring exclusive automated driving solutions to local consumers.

For us as a globally operating company, the promotion of social progress all over the world is an area of concern and an obligation. That's because we believe that business success and social responsibility go hand in hand.

In 2017 we spent more than € 60million on donations to non-profit organizations and the sponsorship of socially beneficial projects.

In China, we have developed diverse CSR programs. The Mercedes-Benz Star Fund we established in 2010, for instance, contributes to Chinese society through numerous programs in education support, environmental protection and social care as well as art and sports.

We are also the first automobile manufacturer to fund the preservation of World Heritage Sites in China. Mercedes-Benz partnered with UNESCO and launched "Green Legacy" program in 2007, aiming to improve heritage preservation and the management of historic

sites, protect biodiversity and raise public awareness of environmental protection. By 2020, the program will complete the implementation of Phase III, covering 15 World Heritage Sites and benefiting over 160,000 residents.

As the last part of my speech, I'd like to talk about our corporate culture and employee development.

Without the dedicated work ethic demonstrated by every employee at Daimler, our success on a global scale could never have been achieved. We firmly believe that, the deep mutual trust which bonds Daimler and our employees is indeed the cornerstone of the sustainable growth of the company.

Last year, Daimler Greater China was awarded as one of the "Best Employer of the Year" by LinkedIn. Apart from talent development, employee care program, modern and efficient working environment, we are also changing the way we lead and work together.

In 2016, Daimler launched "Leadership 2020" globally. With this overarching and innovative project, we expect to inject vitality into the corporate, build a more efficient and transparent management structure, maintain sound and sustainable business growth.

We believe all of these efforts are necessary to enable the company as well as our employees to better cope with the changing market and business environment, and help ensure our sustainable development locally and globally.

Ladies and gentlemen ~

What I shared with you, is only a glimpse of our efforts in sustainability. The main message here is: Sustainability at Daimler is not just a buzzword. It serves as the guideline for our daily operation and strategic decisions.

In a bigger context, our Sustainability Strategy is full in line with and supports the implementation of the UN Sustainable Development Goals (SDGs) set in 2015. Looking into the future, the final achievement of these goals will not only depend on governments and countries, but also greatly depend on businesses. Eventually, it will depend on all the companies among us, both in China and Europe.

Therefore, we at Daimler, are prepared to continue with our efforts, and looking forward to working together with all of our stakeholders in order to jointly contribute to the future sustainable development.

Let us make a difference together!

Thank you!