

DAIMLER

12th Daimler Sustainability Dialogue Working Group Results

Stuttgart-Untertürkheim, November 20th/21st 2019



Environment

Topics discussed

New insights

Our approach

Planned activities

“Verkehrswende” and possible Implications

- Major efforts from all stakeholders for a successful implementation are required.
- Convenience & price are crucial for customer acceptance

- Electrification of urban mobility, seamless integration of various transport systems and inner city traffic reduction are key success factors

- A working group between ICCT, Agora “Verkehrswende” and Daimler, external affairs, will discuss options for common ground and concerted lobbying on design for bonus-malus taxation in 2020

Environmental Benefits of Mobility Systems

- Mobility systems are often seen to be environmentally advantageous but this depends on a multitude of factors
- Only careful evaluation of every city permit successful system designs

- Careful analysis and implementation of local conditions and needs are prerequisite for beneficial urban mobility systems

- All participants share the understanding that mobility systems are to be promoted intensively if environmental benefits apply

Transportation of Goods in urban Areas

- Transportation of goods competes with a multitude of actors in urban areas.
- Dedicated spaces and careful system designs are crucial for maintaining adequate goods supply.

- New comprehensive, multimodal business models will maintain an effective goods transport and combat congestion and emissions in urban areas

- All participants agree to support streamlined multimodal goods transportation with reduced vehicle frequency and improved load and offload facilities

Future Role of Busses for sustainable Mobility

- Urban bus transportation requires comfortable and frequent services
- Good traffic flow, possibly BRT lanes and modern technology have to form a symbiosis.

- Electric busses including increasing BRT-services in many new cities will become the backbone of urban people transportation

- All participants agree to foster the electrification of busses in urban areas to attract new groups of people.

Employees and Integrity

Topics discussed

New insights

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Ethical issues in the use of AI in HR processes	Ethics must be considered in AI and can be a driver of AI.	A consistent integration of integrity & sustainability into the corporate strategy has started.	Integrity will further be anchored in the sustainable corporate strategy.
	AI technologies already enter many areas, at the moment only "weak AI" is implemented in the companies.	Existing AI technologies are further used and exploratively tested.	The AI strategies of the areas will be continued or further developed.
	AI offers many opportunities in HR, but prerequisites are quality, (anonymized) networking and scope of data.	Established DataHubs in HR and committees (Data Governance Board) are used.	
	Transparency through AI enables optimization of previous patterns.		
	Job loss, handling of personal data and loss of control through AI can be fears of employees.	The employees are informed and qualified about the AI technologies (e.g. Gamification). The benefits of AI for the employees must be demonstrated and made transparent.	Early communication & qualification of the employees in the AI pilot areas takes place.
	Ethical guidelines support the implementation.	The AI principles are used as a framework to give orientation (part of the Daimler Code of Conduct).	
	(Already) existing design possibilities of AI are to be used to gain experience.	Existing AI technologies are further used and exploratively tested.	The AI principles will be used for the introduction of more advanced AI technologies in HR processes.
	The following criteria should be considered during implementation: - Transparency (e.g. search criteria, data) - The last instance of a decision has to be the human being - Implementation with pilots & evaluation (get going!)	These success factors will be taken into account in the further implementation.	
	This future-oriented topic requires further discussions with external stakeholders.	The discussion will further be conducted among a heterogeneous group of participants.	"Employees" & "Integrity" will further work together as one working group at the Sustainability Dialogue 2020.

Human Rights

Topics discussed

New insights

Our approach

Planned activities

Progress on HRRS implementation - Services

- Continuous review and adaption of processes necessary, e.g. review of risk commodities
- Think about risk-specific questionnaire, evtl. integrating feedback from e.g. trade unionists
- Be aware of limits of „friendly, dialogue oriented approach“

- Think about handling limitations resulting from high-number of sub-contractors (transparency, no audit rights etc.)
- Refinement of self assessment questionnaire

- Continue with dialogue format with suppliers
- Review assessment results from current assessment to define action steps for 2020

Progress on HRRS implementation – Production Material

- Request: more transparency on challenges/successes, and concrete approach in raw material supply chains.
- Debate about leaving a country (e.g. DRC) due to human rights risks. Majority recommended to stay, leaving a country only as an ultima ratio
- Acknowledged: Dilemmas with ambiguous impact are challenging, debate them publicly

- General approach for sequential auditing of cobalt supply chains confirmed as correct.
- Integrate recommendations in HRRS.
- Work on communicating successes as “first mover” to move others in the same field

- Continue to conduct further due diligence in raw material supply chains.
- Evaluate how to best report on due diligence approach (process & content)
- Contribution to tackling issues by engaging with suppliers.

Daimlers „Human Rights Transparency Initiative“

- Publicly available information on human rights is mandatory for benchmarking – also for the Corporate Human Rights Benchmark (CHRB)
- CHRB backed by investors (€800 billion in assets)
- Reporting on progress is more important than reporting perfect results
- Content/structure of public information on activities (incl. challenges) affects credibility
- Expectations/priorities to content and structure vary among different stakeholder groups

- Broad support for Daimler’s intention to report more openly on human rights activities as lighthouse in the Corp. strategy
- Support for structuring the Initiative along CHRB and UNGP requirements
- Stakeholders (incl. CHRB) underline necessity to be transparent about processes (in detail e.g. rightsholder interviews etc.) and outcomes (e.g. responses to particular cases, even if ongoing)

- Incorporate stakeholder expectations and recommendations into planned Human Rights Transparency Initiative
- Evaluate how to best report on dilemma situations and potential current allegations
- First content published by mid of next year
- Engage regularly with NGOs & CHRB on content

Data Protection

Topics discussed	New insights	Our approach	Planned activities
Daimler AI principles	<ul style="list-style-type: none"> • Risk based approach for AI favored by all stakeholders • Daimlers AI principles are the right approach regarding data protection 	<ul style="list-style-type: none"> • AI principles based on values of Daimler and the Daimler data vision • Going on with implementation of AI principles 	<ul style="list-style-type: none"> • Review of risk based approach specifically regarding data protection • Raising Awareness and training of AI principles and process • Going on with implementation
Main factors for data protection	<ul style="list-style-type: none"> • Main factors are: Transparency/Explainability based on the interest of the recipient group • Privacy Enhancing Technologies 	<ul style="list-style-type: none"> • Deepening insight on mechanisms and measures to improve Transparency/Explainability • Using Privacy Enhancing Technologies 	<ul style="list-style-type: none"> • Information sharing with research institutes and other stakeholders • Exploring Privacy Enhancing Technologies, specifically anonymization
Enhancing Trust	<ul style="list-style-type: none"> • Trust in products and services by Privacy by design 	<ul style="list-style-type: none"> • Fostering Privacy by Design approach • Early implementation of Data Protection and Daimler AI principles 	<ul style="list-style-type: none"> • Development of typical measures which enhance data protection in the context of AI • Risk based consulting approach including Privacy Impact Assessments
GDPR as „blueprint“	<ul style="list-style-type: none"> • GDPR is increasingly used as example for data protection laws internationally • Decision by EU regarding adequacy of data protection law supports implementation of similar regulation 	<ul style="list-style-type: none"> • Implementing similar processes and systems where necessary and feasible 	<ul style="list-style-type: none"> • „GDPR processes“ as blueprint in countries which implement similar laws • Check whether usage of GDPR principles and processes make sense in other countries as competitive advantage

Community Relations

Topics discussed

New insights

Our approach

Planned activities

Reconsider infrastructure of the city of Stuttgart

- Limited space for different means of transportation in the city triggers discussion for an adjustment of the infrastructure.
 - To find a common understanding, all parties have to establish a set of rules on which all can agree on (representatives from state, region, city and industry).
 - One idea was to install lighthouse projects and events to demonstrate innovative show-cases and inspire the exchange with all parties
- After some insights gained about future scenarios for Stuttgart 2030+, possible measures have been discussed in detail. A deep dive was taken on one measure: “Reconsider the infrastructure of the city of Stuttgart”.
 - Measures discussed further: pros and cons of the implementation of a more rigid speed limit in cities.
 - Another topic we looked at was the impact of a road toll.
- A long-term alignment with all stakeholders is going to start in January 2020 with a mobility-agreement: ‚Mobilitätspakt Sindelfingen/Böblingen‘ in which concrete measures regarding mobility management are going to be considered.
 - Another approach was to consider creating a new public forum with all parties addressing the citizens where new ideas in the field of mobility and digitalization could be discussed.
 - This Forum / Lab could serve as a roundtable to align also the representatives of the region and city more closely.

Autonomous Driving

Topics discussed

New insights

Our approach

Planned activities

Behavioral Change in Urban Regions through New Forms of Mobility

- The use of automated and autonomous vehicles in a **highly regulated socio-technical system** is complex and should be looked at systemically.
 - In order to maximize the benefits of this use for mobility and road users, **recurring behavioral routines must be reflected upon and changed** in order to achieve a positive ecological balance, e.g. Mobility Services today are not used by everybody today (e.g. due to reasons of comfort).
 - In urban regions not only city dwellers should be considered but **also areas around the city e.g. commuters and the transport of goods**
 - Additionally aspects such as jobs or data security were discussed, in here we come to the realizations that a **transfer of jobs will happen** and that the interaction with the use of **data needs to be driven from the human perspective**
- It has been shown that **our approach of „Ethics in Product Development and New Business Models“** has proven its worth and is only the beginning in order to increase the acceptance of this new technology.
 - A **close exchange between cities, manufacturers, institutions, NGOs, research institutions and society** is needed.
 - As vehicle manufacturers, we employ an **interdisciplinary team** in order to solve these problems and do them justice.
- As vehicle manufacturers, we stick to **our Ethics by Design approach**, which is already integrated in our governance structures.
 - We will continue to support our engineers in the development of **new technologies** in order to ensure that we bring **safe, socially acceptable and sustainable products to the streets**.
 - We will actively **promote the exchange with all stakeholders** of new mobility.
 - We will continue **to accompany national and international activities with institutions or politics**, e.g. ISO, DIN/DKE, in order to provide our input in the design & development of a future with new mobility.

Social Responsibility

Topics discussed

New insights

Our approach

Planned activities

Core Business & Corporate Citizenship

- For many international companies it is now more than a matter of course to contribute to social responsibility. Corporate success is to be accompanied by targeted social commitment – the credo of Good Corporate Citizenship (CC).
- More and more scientists are investigating the issue of CC and CSR in corporate practice and publish research results. Studies like the CC Survey 2018 of the Donors' Association (Stifterverband) say that two of the three German companies regularly engage in social responsibility. Nine of the ten corporate representatives believe that companies should "take over stronger responsibility for society" as role models. It is no longer just about complying with legal requirements, but about approaching the claim credibly, transparently and above all effectively. In addition to the structural changes of our Group, the current time we live in is also characterized by a new high standard for CC and thus requires an intensified look at our activities.
- From the background of new challenges we want to design effective Corporate Citizenship commitment reconciled with our core business.
- We want to identify and assign Corporate Citizenship content for various core business topics from the background to the new structure of the Daimler Group and discuss the prerequisites for credible commitment and forward-looking project planning that enables Corporate Citizenship to obtain measurable results.
- As requirement for credible Corporate Citizenship commitment and forward-looking project planning - that enables CC-projects to obtain measurable results - the working group suggested: long-term project engagements; transparency about projects, partners, motivation & risks; link to the Sustainable Development Goals.
- Within the next year, we want to design and implement a concrete project in cooperation with a NGO against worst forms of child labour in Mica Mining in India.