

DAIMLER TRUCK

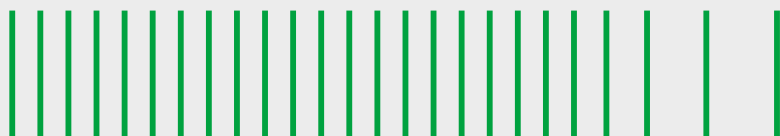


Green Finance Framework

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July 2023



Background: What drives us

The history of Daimler Truck began more than 125 years ago. With our founders, Gottlieb Daimler and Carl Benz, developing the world's first trucks and buses – contributing to the progress and prosperity of society.

Today, we are one of the world's largest commercial vehicle manufacturers. We employ more than 100,000 people at more than 40 locations throughout North America, Europe, Asia, Latin America and Africa, as well as at numerous sales and service points in most countries. In our global network, we develop and produce trucks and buses marketed under the brands BharatBenz, Freightliner, FUSO, Mercedes-Benz, Setra, RIZON, Thomas Built Buses and Western Star. With the Financial Services segment, we can offer our customers a tailored package of vehicles and financial services.

We provide our customers with safe and reliable transportation solutions worldwide. We are proud to say that we work for everyone who keeps the world moving. This makes us an important part of society, but also comes with a great responsibility - to our employees, our customers, and all the people who are affected by our business activities. Our greatest responsibility, and opportunity, stems from the growing demand for sustainable transportation. We pursue the goal of advancing the transformation of the automotive industry by developing sustainable transportation solutions. Together with our partners, we are shaping the technology and service transformation of our industry - and aim to lead sustainable transportation, in line with the principles of our founders and in line with our vision.

We have created this Green Finance Framework as part of our sustainable business strategy and to enable our investors to engage with and support us in our contribution to create a more sustainable society.

We keep delivering – for all who keep tomorrow's world moving.



Sustainability at Daimler Truck

As a globally leading manufacturer of commercial vehicles, our goal is to develop and bring sustainable and future-oriented transport solutions, for the transport of goods and people, to the road. We are committed to the goals of the Paris Climate Agreement and are paving the way towards CO₂-neutral transportation. Thus, sustainability is an integral part of our business strategy at Daimler Truck and it is also reflected in our vision “Leading sustainable transportation”.

We take the associated responsibility for our employees, the environment and society very seriously. We view sustainability holistically and as an integral part of our core business. It is crucial that we conduct our business operations responsibly and continue to create value for all stakeholders.

For our sustainable business strategy, we have chosen a framework which focuses on the three pillars of Environment, Social and Governance (ESG). Furthermore, the United Nations’ 17 Sustainable Development Goals (“SDGs”) guide our commitment to sustainable development and respect for human rights.



Environment

We are clearly committed to the Paris Climate Agreement. We want to make CO₂-neutral transport successful. Through this we can contribute to combating climate change, the decarbonization of the automotive industry, and to the reduction of resource consumption. Within the pillar “environment” we focus on three topics: **green products, green production and green supply chain.**



Green Products

We consistently pursue the decarbonization of our products: We strive for our new trucks and buses to be CO₂-neutral on the road in Europe, the USA and Japan by 2039 – and globally by 2050. We are working purposefully to make vehicles more environmentally friendly and to focus on product-related climate protection. To do so, we are following these four strategies:

- » **Alternative drive technologies:** In the decarbonization of transportation and passenger transport we are focusing on two complementary technologies to supply energy to the engines: battery and hydrogen-based drives. We already have a whole range of battery-electric truck and bus models in series production¹. By the end of 2023, we will have ten battery-electric trucks and buses in series production. When it comes to hydrogen, we are already intensively testing the first fuel cell truck prototypes of the Mercedes-Benz GenH2 Truck on public roads in Germany and Europe.
- » **Expansion of charging infrastructure:** Together with strong partners, such as Siemens, Shell, TotalEnergies, and BP, we are supporting the expansion of a charging infrastructure for CO₂-neutral transport – for both battery-electric and hydrogen-powered vehicles. We are also a member of several initiatives aimed at providing charging technologies across the board and increasing the availability of liquid hydrogen at petrol stations.
- » **Natural Resources:** We take great care with natural resources in the product and production cycle. During product development, we prioritize recycled materials and materials with the longest possible life cycle. We are also promoting the establishment of closed material cycles in our production. Efficient technology and an aerodynamic, lightweight design enables us to reduce the energy or fuel consumption of our products during their use-phase. To further avoid waste, we are working to extend the service life of all vehicle components by, for example, using particularly durable materials. We are also addressing recycling solutions for our high-voltage batteries: Our vehicles are only equipped with re-usable batteries.
- » **Life cycle assessment:** We use Life cycle assessments (LCA) as a holistic approach to assess our products. Trucks and buses, for example, are investigated over their whole life cycle including the supply chain, production, customer use and end-of-life phase to identify potential improvements.

¹ Our ePortfolio | Daimler Truck | Daimler Truck



Our progress so far and our next steps

- » We are producing eight battery-electric truck and bus models in series worldwide.
- » Hundreds of customers have covered millions of kilometers with our battery-electric trucks and buses.
- » We have established cellcentric, our fuel cell joint venture together with the Volvo Group, to build one of the largest series productions of fuel cell systems in Europe.

We look forward to advancing on our journey towards zero-emission road transport. These are **the next steps**:

- » By the end of 2023, we will have ten battery-electric trucks and buses in series production.
- » We plan to launch the series production version of the eActros LongHaul truck with a range of 500 kilometers in 2024.
- » Since 2018, we have a fully-electric city bus, the Mercedes-Benz eCitaro, in our portfolio. We are working on electrifying the complete city bus portfolio for the European market by 2030. Our aim is to have an electrically powered interurban bus in our portfolio from 2025. In addition, as part of the “ELCH” (Electrified Coach) funding project, together with partners from science and practice, funded by the Federal Ministry of Economics and Climate Protection (BMWK), Daimler Buses is also working on developing battery-electric coaches, which are to be launched by the end of the decade.

Green Production

We at Daimler Truck are fully committed to sustainability not only in the development of new emission-free vehicles, but also in the production of our products. For this reason, we are working to make our production as environmentally friendly as possible and to reduce CO₂-emissions and resource consumption.

We have realized CO₂-neutral² production in Europe; in the USA, Japan and India we strive for it in 2025 – and globally by 2039.

To achieve our ambition, and to expand climate protection and resource conservation in production, a few years ago we launched the “**Green Production Initiative**”. This initiative aims to reduce CO₂-emissions, increase the use of renewable energy, improve energy and water efficiency, and reduce waste at the global production sites.

» **CO₂-neutral global production:** We are pursuing a four-pronged strategy on our path to CO₂-neutral global production:

- **Improved energy efficiency:** We will steadily cut energy consumption at production sites by around 590 GWh by 2030 (compared to the years 2013 and 2014).

- **Purchasing of renewable energy:** We are focusing on renewable energy in our factories. Since the beginning of 2022 we have achieved 100% green electricity at our European production sites. By 2025, we also aim to supply 100% green electricity to all our production sites in the USA, Japan, and India. All other in-house production sites are set to follow by 2030, at the latest.

² Among other things through the procurement of CO₂-free electricity from solar, wind and hydropower and through procurement of certificates.



- Company production of renewable energy: In addition to purchasing green electricity, we are continuously driving forward the self-generation of energy at our production sites. Around 7.2 MWp of photovoltaic modules have been installed worldwide, generating around 7.9 GWh of electricity per year (as of the end of 2022). Further photovoltaic systems are planned at numerous locations – including Turkey, South Africa, Mexico, and Japan.

- CO₂-compensation in transition phase for remaining emissions: We are currently compensating our remaining CO₂-emissions with qualified climate protection certificates, mainly in Europe but globally in the future. Due to current technological constraints, we at Daimler Truck consider CO₂-compensation to be a necessary tool to enable fully CO₂-neutral production. However, we want to continuously reduce this share further and increase the self-generation of energy at our production sites.

» **Water reduction:** We aim to reduce our water usage, for example by closing water cycles and making our production processes more water efficient. In addition, measures are being pursued to decrease the use of drinking water.

» **Waste reduction:** We are reducing waste by using raw materials and materials sparingly, minimizing offcuts, sand, filter materials and sludge through new or optimized production processes and closing off material cycles wherever possible. We are also striving to reduce our packaging materials from parts transport.

» **Environmental management systems:** As part of our ISO 14001 certified environmental management systems, we are implementing the processes and measures required by law and minimizing risks at all our production sites. Ensuring an environmentally friendly handling of hazardous substances is particularly relevant for preventing environmental pollution. Regarding energy management, we aim for a worldwide ISO 50001 certificated management system for all our production sites by 2025.

Our progress so far and our next steps

- » In 2022, we achieved CO₂-neutrality in production for our sites in Europe – through, among other things, the procurement of CO₂-free electricity from solar, wind and hydropower and the procurement of certificates.
- » We have installed 7,200 kWp photovoltaic modules in our plants, which can generate around 7,900 MWh of electricity per year.
- » 92% of our relevant sites (production plants, development, and test track sites) are ISO 14001 certified.

As part of our “Green Production Initiative”, we aim to achieve the following objectives by 2030:

- » We aim to reduce production-related CO₂-emissions by 42% compared to the emission levels in 2021.
- » At least 55% of the entire energy consumption is expected to come from renewable energy sources whereas 100% of the electricity used is produced from renewable energy sources. At least 5% of power generation on site comes from renewable energy sources.
- » Our goal is to reduce energy consumption by around 590 GWh*.
- » We aim to reduce water use by around 470,000 m³*.
- » We want to reduce waste by around 40,000 tons*.

* based on the average value for the years 2013 and 2014

Green Production 2030

	CO ₂ Scope 1 + 2	Renewable Energies	Energy Efficiency	Water Efficiency	Waste Reduction
Baseline	2021	2021	2013/2014	2013/2014	2013/2014
Daimler Truck	-42 % ~~ 360 kt CO ₂	> 55 % 100% green power > 5% generation	~ - 590 GWh - 16% per vehicle	~ - 470k m ³ - 12% per vehicle	~ - 40 kt - 12% per vehicle



Green Supply Chain

Suppliers are an important part of our production network. Their commitment to climate protection and the reduction of resource consumption has a direct impact on our own carbon footprint. Therefore, we raise awareness amongst our suppliers and support them on our way to more sustainability in the supply chain. We aim to reduce the CO₂-footprint of our products over their life cycle by using our supply chain as a key lever to reduce our upstream Scope-3-emissions.

We strive together with our direct suppliers for CO₂-neutral products and services in Europe, the USA and Japan by 2039 – and globally by 2050.

Our measures:

- » **Transparency about the environmental impact of our vehicle parts supply chain:** By anchoring sustainability standards in contractual terms with our direct suppliers, we can ensure binding environmental commitments. These could include environmentally friendly manufacturing, reductions in energy, water use and waste, as well as chemical and hazardous substance management. Our goal is that at least 70% of our production material purchasing volume is covered by environmental certificates in accordance with ISO14001, EMAS or comparable standards. That's why we work with various tools such as the Sustainability Assessment Questionnaire ("SAQ") of the European Drive Sustainability initiative or the CDP supply chain program. Our suppliers are encouraged by the program to continuously improve their efforts at reducing CO₂-emissions.
- » **Procurement of sustainable production materials:** As a first step, we use life cycle assessments to determine the material components of our products to identify the main drivers of greenhouse gas emissions in the automotive supply chain. This mainly relates to the production of raw materials such as steel, aluminum, or plastics. For new product projects, procurement works hand in hand with research & development in interdisciplinary project teams to effectively reduce emissions within the supply chain. We are evaluating the potential of increasing the use of secondary raw materials such as recycled materials and scrap to reduce CO₂ in the supply chain.

Our progress so far and our next steps

- » We require suppliers to comply with our environmental compliance standards and support them in continuously improving their environmental behavior.
- » In 2022, we granted the Daimler Truck Supplier Award to suppliers who have demonstrated outstanding performance in the area of sustainability.

We continue our efforts towards an emission-free green supply chain. Our next steps are:

- » We strive to provide greater transparency regarding CO₂-emissions in the supply chain and to set targeted emission reduction measures together with our suppliers. We are also expanding the existing sustainability criteria for new purchasing decisions to include climate protection criteria.
 - » We are gradually expanding the use of green materials in our products.
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Social

As a global commercial vehicle manufacturer we have great influence on our employees, on the people affected by our corporate actions, as well as on the society in which we live. For us, our vision of “Leading Sustainable Transportation” means helping to shape the transport of tomorrow responsibly. Within the pillar “social” we focus on three topics: **our people, human rights** and **traffic safety**.



Our people

Healthy and motivated employees are the basis for our company's success. It is therefore crucial for us to offer them attractive working conditions. Furthermore, we want to make sure that they enjoy coming to work, they feel comfortable and safe, and they maintain their health. We strive to be an employer of choice, and we foster a culture of diversity, equity and inclusion – leading to a sense of belonging across all levels and regions. We focus on the following topics:

- » **Diversity, Equity & Inclusion:** More than 100,000 people from more than 125 countries work at Daimler Truck. This diversity helps us to find new perspectives. It drives creativity and innovation – improving the successfulness of our work. We foster a corporate culture where our employees can freely develop their talents and contribute their individual strengths. The foundation: a respectful and open cooperation that leaves no room for discrimination.
- » **Employee development:** We invest in the professional and personal development of our employees. We promote their potential and ensure that they can develop their creativity freely.
- » **Occupational health and safety:** The physical and psychological health of our employees is essential for us. That's why we ensure safe, fair, and healthy working conditions at all our locations worldwide.

Our progress so far and our next steps

- » More than 100,000 employees from 125 nations work at Daimler Truck.
- » 17,000 e-learning modules are available to our employees around the clock.
- » More than 31% of our production sites are certified to the ISO 45001 occupational safety standard.

We will continue to support the health and well-being of our employees in the workplace in the future – and we have ambitious targets:

- » By 2025, we aim to have 39% of our sites certified to the international occupational safety standard ISO 45001. Our goal is to reduce our accident rate by 10% every three years.
- » By 2030 we want to increase the proportion of women in management positions worldwide to 25%.
- » We will develop online training for all employees on topics such as safety, equality, and anti-discrimination.
- » We are continuing to expand our range of health programs for employees.

Human Rights

We are committed to the United Nations Guiding Principles on Business and Human Rights and we place particular importance on the rights of the International Bill of Human Rights as well as the core labor standards of the International Labor Organization ("ILO").

As participant in the United Nations Global Compact, we are committed to support human rights, respect the rights of employees and their representatives, and protecting the environment.

Accordingly, we are strongly committed to respect and support human rights and we expect the same from our business partners throughout our value chain.

We confirm our commitment in our Declaration of Principles on Social Responsibility and Human Rights. This declaration forms the basis for how we live up to our social responsibility and supplements our obligation to respect human rights also expressed in our Daimler Truck Code of Conduct.

We focus on the following measures:

- » **Human Rights Compliance Management System (CMS):** We rely on a systematic approach to fulfill our human rights due diligence obligations through our Human Rights Compliance Management System (Human Rights CMS). The Human Rights CMS relates to our Group companies and majority shareholdings, as well as to our value chain. It is based on requirements of internationally recognized standards and applicable laws, as well as the Guiding Principles of the United Nations, which form the basis for regulatory and legislative requirements for business and human rights worldwide.
- » **Sustainable Supply Chain:** Our goal is to ensure that our partners along the supply chain also comply with social and environmental standards and thus support our sustainability efforts. To fulfill our due diligence obligations in the supply chain, we rely on a concept of binding requirements and control instruments, as well as information and qualification measures for suppliers. In our Business Partner Standards, we define our requirements for our business partners in terms of respect for and support of human rights, good working conditions, environmental protection, integrity and compliance with legal requirements.

Our progress so far and our next steps

We have already achieved significant milestones in our commitment to respecting and supporting human rights, including:

- » Adaptation of the Human Rights Compliance Management System to new regulatory requirements, for example, adaptation to the requirements of the **German Supply Chain Due Diligence Act (“LkSG”)**, which entered into force January 2023.
- » Appointment of the Chief Legal & Compliance Officer as Human Rights Officer.
- » Development of a **web-based expert training on human rights**, in order to highlight the relevance of the topic in everyday working life.

Our **next steps** are:

- » To continuously develop our Human Rights CMS and perform a comprehensive Human Rights risk assessment.
- » To continuously focus on the assessment of our raw material supply chains, as part of our Human Rights due diligence.
- » To continue to raise awareness among our employees with trainings on Human Rights

Traffic Safety

Traffic accidents lead to well over a million deaths per year worldwide. By developing safety and assistance systems, as well as autonomous driving systems, Daimler Truck is improving traffic safety for everyone involved. As such, traffic safety is an essential topic in our sustainable business strategy.

We pursue “Vision zero” and we strive for “zero accidents” with our trucks and buses.

Our path to greater road safety is the development and offering of high-performance assistance systems, passive safety measures, the implementation of active safety systems, as well as support during rescue and recovery. Our services and trainings also contribute to greater traffic safety. With autonomous driving, we expect a further increase in road safety because the approval of autonomous driving systems will be subject to high safety requirements.

We focus on the following topics:

- » **Active safety and assistance systems:** Active safety systems are particularly important in trucks and buses. With vehicles of this size and weight it is especially important to actively avoid accidents, as the risk of an accident with serious consequences is high. In order to achieve this we are developing new safety systems in regular development cycles, with which we can protect and assist drivers in their day-to-day work. Our assistance systems also help to prevent accidents. With these systems our goal is to relieve burdens on the driver, raise his or her alertness, prevent fatigue, and promote an adapted driving style. This can be accomplished through prediction, automation, traffic sign recognition, enhanced all-round visibility, and smart lighting control.
- » **Autonomous driving:** Daimler Truck is one of the leading truck manufacturers involved in the development of autonomous trucks (“SAE Level 4”) with safety-relevant redundant driving systems. Driver assistance systems and safety systems are important driving forces for enabling autonomous driving in the future and reducing the number of accidents. Autonomous driving is tied to high safety requirements and has the potential to make the traffic of the future much safer. In addition, unlike humans, autonomous systems do not become tired or inattentive, thus reducing the risk of an accident. At the same time, autonomous trucks can fundamentally enhance the business of our customers and help society cope with the growing volume of freight, especially in times of driver shortages.

Our progress so far and our next steps

In 2022, the measures focused on spreading the use of existing systems in markets, brands and models:

- » The Active Side Guard Assist was introduced in the Freightliner Cascadia for the North American market.
- » The Actros Safety Package was introduced to the eActros and the Chinese market and presented at the World Premiere of the FUSO eCanter.
- » The Active Drive Assist 2 with its emergency stop function was introduced for the Setra brand coaches and the Freightliner Cascadia.

Effective safety systems will develop their societal benefits when they are widely used in transport. We have therefore set ourselves the following interim targets:

- » Every year, we want to contribute 3% of our R&D investments to active safety systems.
- » In the USA, we are aiming to bring autonomous trucks onto the road in series production by the end of this decade.



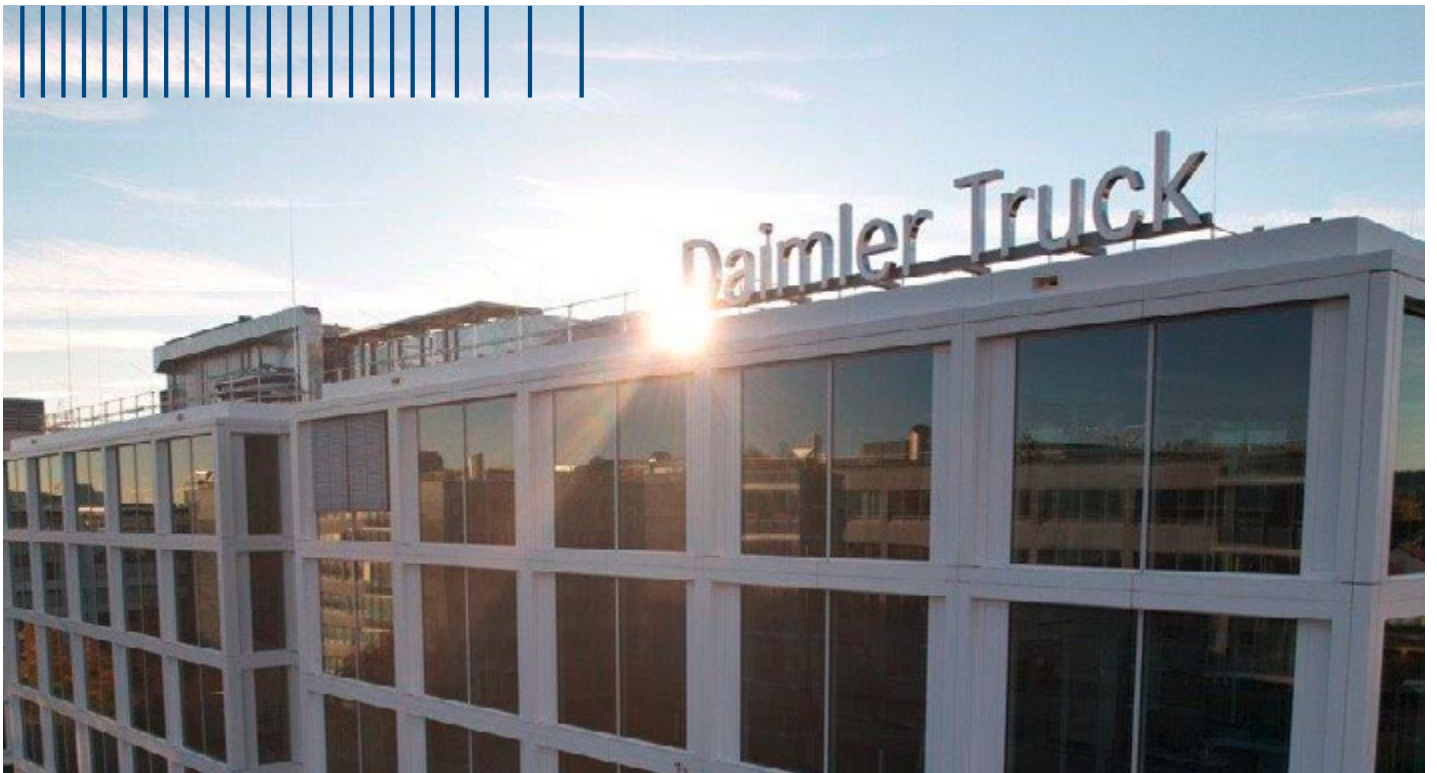


Governance

Our aim is to be a responsible part of society. A company that business partners like doing business with and employees like to work – in brief: A company to trust. Our actions are based on responsibility: We adhere to the corporate governance rules and integrate sustainability into our short and long-term decisions. We encourage open dialog with our stakeholders and support environmental and social initiatives. We manage compliance and ESG risks with proven systems – backed up by our internal audits.

Three fields of action are particularly important to us: **responsible governance, compliance & ESG risk management and social commitment.**

Responsible Governance: We have created clear responsibility structures for the topic of sustainability within the Group. The Board of Management meets on a regular basis as the Corporate Sustainability Board (“CSB”) to discuss sustainability issues relevant to the company. The Supervisory Board advises and monitors the Board of Management, also with a strong focus on sustainability issues.

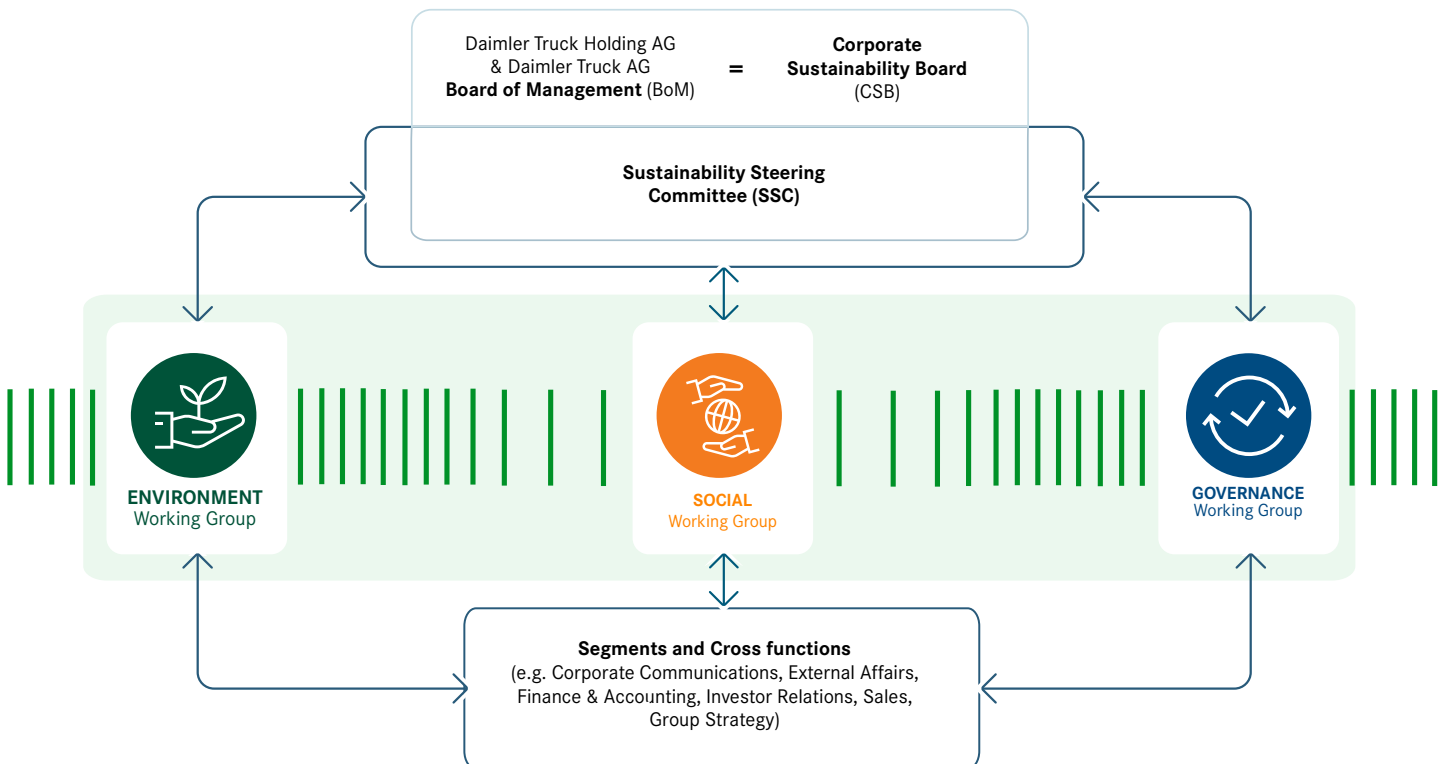




The established management and organizational structures are intended to strategically support our sustainability goals. All members of the Board of Management have special expertise in sustainability issues relevant to the Company structured along the key themes Environment, Social and Governance. The Corporate Sustainability Board is advised by the Sustainability Steering Committee (“SSC”), as an overarching body of high management level including cross functional and international expertise, along with working groups for the pillars environment, social, and responsible governance. The expert working groups are represented in the SSC. The processing of the focus topics from the sustainable business strategy is organized and structured by the respective responsible departments in working groups. Progress made and any important decisions are reported to the SSC and the CSB or submitted to them for a decision.

» **Compliance and ESG risk management:** We are convinced: Only those who act on the basis of strong values, and in a legally responsible manner, will remain successful in the long term. Compliance with rules and a corresponding compliance culture are therefore very important to us. Compliance and responsible corporate governance are part of our understanding of a sustainable business. As such, we have implemented an established Compliance Management System (“CMS”) with programs and processes to not only meet legal requirements, but also to prevent misconduct. Through numerous training measures and communication campaigns we inform our employees and increase their awareness about compliance topics. Risk and opportunity management is an integral part of our Group-wide planning, management, and reporting process.

» **Social commitment:** We contribute our expertise to the social dialogue within society and work with representatives from politics and society to help solve social challenges. We also assume social responsibility with our corporate citizenship activities such as donations, corporate volunteering, and disaster relief. An important part of our global social commitment consists of donations to charitable organizations and the sponsoring of social projects. Donations are selected across the Group according to local legal criteria and company criteria.





Approch to EU Taxonomy

Descriptions of relevant activities and technical screening criteria are already available in the form of delegated acts for the first two environmental objectives; Climate Change Mitigation and Climate Change Adaptation. As the specifications for the other four environmental objectives were published as drafts in early 2023, they were not relevant for the Taxonomy Regulation reporting for the 2022 reporting year.

Daimler Truck has classified the following activities as taxonomy-eligible in accordance with the Taxonomy Regulation:

- » Activity 3.3 – Manufacture of low-carbon technologies for transport
- » Activity 6.3 – Urban and suburban transport, road passenger transport
- » Activity 6.5 – Transport by motorcycle, passenger car and light commercial vehicles
- » Activity 6.6 – Freight transport services by road

All activities classified as taxonomy-eligible have been checked for taxonomy alignment. In meeting the specified technical screening criteria, a significant contribution must be made to an environmental objective defined by the Taxonomy Regulation. For Daimler Truck, this applies exclusively to environmental objective 1 “Climate change mitigation”. Additionally, significant harm to another environmental objectives must be excluded based on the defined “do no significant harm” (“DNSH”) criteria. Compliance with the minimum safeguards regarding human rights, including labor rights, corruption and bribery, taxation and fair competition must also be ensured. An economic activity is only regarded as ecologically sustainable if all criteria are met.



ESG Ratings

Daimler Truck has the clear ambition to lead the industry's transformation with a firm commitment to deliver sustainable solutions. We actively engage with ESG rating agencies in order to increase transparency and received our first ratings:

- » Sustainalytics - ESG Risk Rating: 19.6 (Low Risk) | as of Nov 27, 2022
- » ISS - ESG Corporate Rating: C+ | as of Dec 20, 2022
- » MSCI - ESG Rating: A | as of Jan 20, 2023
- » CDP - Climate Change Rating: B | as of Dec 13, 2022





Daimler Truck Green Finance Framework

Daimler Truck's Green Finance Framework has been developed in alignment with the 2021 ICMA Green Bond Principles (GBP) as well as the 2023 APLMA, LMA and LSTA Green Loan Principles (GLP).

This Green Finance Framework intends to, where applicable, align with the EU Taxonomy³. The assessment of the EU Taxonomy is based on the Technical Screening Criteria for substantial contribution to either the environmental objective "climate change mitigation" or "climate change adaptation". This evaluation is complemented with an assessment of the DNSH and Minimum safeguards for climate change mitigation and climate change adaptation. Daimler Truck may update this Green Finance Framework to adhere to best market practices.

The Green Finance Framework therefore consists of the four key pillars mentioned below and the recommended External Review component:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting
5. External Review

³ Refers to EUR-Lex - 32021R2139 - EN - EUR-Lex (europa.eu), 'Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives'. This Regulation will be referenced throughout the Framework using 'EU Taxonomy', or similar.





Use of Proceeds

Daimler Truck has established this Framework to enable the use of different Green Finance Instruments such as Green Bonds, Green Schuldschein, Green Commercial Papers, as well as Green Loans. Proceeds from our Green Finance Instruments will be used exclusively to finance, in whole or in part, Eligible Green Assets that meet the criteria outlined in this Framework (“Eligible Green Asset Portfolio”). Proceeds from Green Finance Instruments can be allocated to Eligible Green Assets within four categories:


- » Clean transportation
- » Energy efficiency
- » Pollution prevention and control
- » Renewable energy

In line with our vision to lead sustainable transportation as one of the world’s largest commercial vehicle manufacturers, at least two thirds of the total proceeds will be allocated to the category Clean transportation. Together with allocations to Renewable energy, the total of these two categories will make up at least 80% of the total allocation of proceeds from Green Finance Instruments.

This Framework is based on positive screening and enables the financing of capital expenditures for the construction, development, expansion, acquisition⁴, installation, manufacturing, renovation, retrofitting and upgrading of Eligible Green Assets, as well as the financing of related research and development.

Proceeds from Green Finance Instruments can finance new Eligible Green Assets or refinance existing Eligible Green Assets. Refinancing is defined as the financing of existing Eligible Green Assets that have been taken into operation more than one year before the time of approval by the Corporate Sustainability Board (see next section). Daimler Truck intends to allocate the proceeds of a given Green Finance Instrument to Eligible Assets originating no more than three calendar years prior to the year of issuance of the Green Finance Instrument.

⁴ Capital expenditures for the acquisition of eligible assets can only relate to the cost of the fixed assets

GBP & GLP Category	Eligible Green Assets	SDGs	EU Taxonomy Environmental Objectives
Clean transportation	<p>Zero emission vehicles including Battery Electric Vehicles (BEV) and Fuel-Cell Electric Vehicles (FCEV) for trucks and buses, as well as the supporting technologies, such as batteries/fuel cells, and supporting infrastructure such as charging/refueling stations. This includes:</p> <p>» Manufacturing of Zero Emission Vehicles</p> <ul style="list-style-type: none"> - Production facilities for the manufacturing of zero emission vehicles and supporting technologies such as batteries and fuel cells <p>» Research & Development</p> <p>Research & Development of:</p> <ul style="list-style-type: none"> - Zero emission vehicles - Supporting technologies such as batteries and fuel cells - Supporting infrastructure such as charging and refueling stations <p>» Recycling of batteries/fuel cell systems</p> <ul style="list-style-type: none"> - Recycling and recovering facilities <p>» Supporting infrastructure for zero emission mobility</p> <ul style="list-style-type: none"> - Manufacturing & installation of charging and refueling stations for different zero emission vehicles 	<p>Target 11.2</p> 	Climate change mitigation
Energy efficiency	<p>Energy and resource efficiency⁵</p> <p>Replacement of production processes powered by fossil energy sources, e.g., welding</p> <p>Reduction of energy use from non-fossil sources and reduction of other resources, incl. water, used per unit of output compared to the pre-investment situation. This includes:</p> <p>» production processes e.g., welding</p> <p>» lighting, ventilation, heating/cooling</p> <p>» digitalization in production processes</p>	<p>Target 7.3</p> 	Climate change mitigation
Pollution prevention and control	<p>» Waste management</p> <p>Prevention and reduction of waste as well as increase of re-use and recovery of materials.</p> <p>» Emission reduction</p> <p>Prevention or reduction of emissions of greenhouse gases, harmful substances and other pollutants into the air, soil, or water.</p>	<p>Target 11.6</p>  <p>Target 12.4 and 12.5</p> 	Climate change mitigation
Renewable energy	<p>» Generation of electricity and heat from renewable sources</p> <p>Installation and upgrading of renewable energy capacity from solar PV, wind or other non-fossil sources, e.g., solarthermal or geothermal⁶.</p>	<p>Target 7.2</p> 	Climate change mitigation

⁵The level of energy and resource efficiency gains achieved varies between different processes and facilities. The expected or (when possible) actual efficiency gains achieved will be reported upon and described in the Green Finance Investor Report.

⁶Nuclear sources are excluded.

Process for Project Evaluation & Selection

To ensure that proceeds from Daimler Truck's Green Finance Instruments are allocated to assets, which are aligned with the criteria of this Framework, Green Finance-related tasks and decision-making processes have been integrated into Daimler Truck's Sustainability Governance⁷.

The central management and decision-making body for all sustainability topics – the Corporate Sustainability Board – consists of the same members as the Board of Management of Daimler Truck Holding AG and Daimler Truck AG. Under the leadership of the Chairman of the Board of Management, the Corporate Sustainability Board meets at least twice a year. All members of the Board of Management have special expertise in sustainability issues relevant to the Company structured along the key themes Environment, Social and Governance.

The Corporate Sustainability Board is advised by the Sustainability Steering Committee. The committee is composed of senior management representatives for the segments⁸ and representatives of various functional units. The Sustainability Steering Committee meets under the direction of the Chief Legal & Compliance Officer, at least once a quarter, and assesses the Group's performance in sustainability related focus topics.

In addition, Daimler Truck has established a Green Finance Working Group that meets on a frequent basis and is comprised of members with sustainability expertise from, amongst others, Treasury, Sustainability Management, Communications, Investor Relations, Finance & Controlling. The Green Finance Working Group is responsible for screening, evaluating, and proposing an Eligible Green Asset Portfolio, which is aligned with the criteria of this Framework.

The evaluation and selection process of potential assets will include considerations around the life-cycle of the asset, alignment to the criteria of the EU Taxonomy, lock-in effects and rebound effects whereby Eligible Green Assets must contribute towards our ambition to create a more environmentally sustainable society.

Furthermore, the Green Finance Working Group monitors to ensure that the Eligible Green Asset Portfolio remains aligned with the eligibility criteria outlined in this Framework. In the case where an asset from the Eligible Green Asset Portfolio no longer meet the eligibility criteria outlined in this Framework (e.g. following divestment, liquidation, other concerns regarding alignment with eligibility criteria), the Green Finance Working Group will adjust the Eligible Green Asset Portfolio accordingly.

The proposal of the Eligible Green Asset Portfolio is subsequently presented to the Sustainability Steering Committee. Members of the Sustainability Steering Committee will have in-depth expertise over any potential assets and their alignment to the criteria outlined in this Framework.

The Sustainability Steering Committee is responsible for reviewing the proposed selection and may propose changes to the Eligible Green Asset Portfolio.

The final approval of the Eligible Green Asset Portfolio, as well as any subsequent changes, is the responsibility of the Corporate Sustainability Board. The Corporate Sustainability Board decides by majority vote. In the case of a tie of votes, the Chairman has the casting vote⁹.

⁷ For further information about Daimler Truck's Sustainability Governance see page 14 and 15.

⁸ Daimler Truck North America, Mercedes-Benz Trucks, Daimler Truck Asia and Daimler Buses

⁹ For more details, see "Rules of Procedure of the Board of Management" on <https://www.daimlertruck.com/en/company/corporate-governance/board-of-management>.





Management of Proceeds

The net proceeds from the issuance of Green Finance Instruments shall be allocated to Eligible Green Assets, as defined in this Framework, and monitored in an appropriate manner by Daimler Truck. The proceeds will be earmarked against an Eligible Green Asset Portfolio and internally tracked and accounted for in a Green Finance Register. The Green Finance Working Group will annually review the Green Finance Register to account for re-allocation, repayments, or drawings on the Eligible Green Asset Portfolio.

In the event that funds cannot be immediately and fully allocated, or in the event of any early repayment, proceeds will be held in line with Daimler Truck's general liquidity guidelines until the allocation to Eligible Green Assets. The proceeds of Green Finance Instruments will be allocated, to Eligible Green Assets, within one year from the date of issuance.

The legal documentation for each Green Finance Instrument shall refer to this Green Finance Framework.

Reporting

Daimler Truck will provide an annual Green Finance Investor Report, until full allocation of the net proceeds from the issuance of Green Finance Instruments, and thereafter in case of any material changes to the allocation. This will enable our investors to follow the progress of our Eligible Green Asset Portfolio. The report will include a section on the allocation of proceeds from Green Finance Instruments, detailing any changes which have been made during the reporting period, as well as an impact reporting section. The information may be provided on an aggregated portfolio basis due to confidentiality agreements, competitiveness consideration, or numerous projects limiting the amount of detail that can be made available.

The Green Finance Investor Report will be prepared by the Green Finance Working Group, reviewed by the Sustainability Steering Committee, and presented for approval to the Corporate Sustainability Board prior to publication.

Allocation Reporting

The allocation report will include the following components:

1. Information on the Eligible Green Asset Portfolio including a brief description of Eligible Green Assets and the amounts allocated
2. Type of different Green Finance Instruments utilized and corresponding outstanding amounts
3. Ratio of new financing to refinancing
4. Distribution of Eligible Green Assets between the Daimler Truck segments¹⁰
5. Information about unallocated proceeds, if any

Impact Reporting

The Green Finance Investor Report will also include impact reporting and e.g. calculation methodologies with the aim to disclose the environmental impact of the Eligible Green Asset Portfolio, where feasible and subject to data availability as well as confidentiality and competitiveness considerations.

For examples of impact indicators that might be included in the impact reporting please refer to our Sustainability Report, as available on our website.

The Green Finance Investor Report will also be available on Daimler Truck's website.

¹⁰ Green Use of Proceeds may be allocated within the segments Daimler Truck North America, Mercedes-Benz Trucks, Daimler Truck Asia and Daimler Buses.



External Reviews

Second-Party Opinion

Daimler Truck will obtain a Second Party Opinion from an appropriate and experienced External Reviewer, CICERO Shades of Green, now a part of S&P, to confirm the alignment of this Framework with the GBP and to assess the environmental value-added. The Second Party Opinion will be available on Daimler Truck's website.

External verification

Daimler Truck's annual Green Finance Investor Reporting will also be subject to external verification by an independent auditor verifying the internal tracking method and the allocation of funds during the reporting year.

The external auditor's report will be published on Daimler Truck's website.



Disclaimer

Forward-looking statements

This document contains forward-looking statements that reflect our current views about future events. The words “aim”, “ambition”, “anticipate”, “assume”, “believe”, “estimate”, “expect”, “intend”, “may”, “can”, “could”, “plan”, “project”, “should” and similar expressions are used to identify forward-looking statements. These statements are subject to many risks and uncertainties, including an adverse development of global economic conditions, in particular a decline of demand in our most important markets; a deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, pandemics, acts of terrorism, political unrest, armed conflicts, industrial accidents and their effects on our sales, purchasing, production or financial services activities; changes in currency exchange rates, customs and foreign trade provisions; a shift in consumer preferences; a possible lack of acceptance of our products or services which limits our ability to achieve prices and adequately utilize our production capacities;

price increases for fuel or raw materials; disruption of production due to shortages of materials, labour strikes or supplier insolvencies; a decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization measures; the business outlook for companies in which we hold a significant equity interest; the successful implementation of strategic cooperations and joint ventures; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; the resolution of pending government investigations or of investigations requested by governments and the conclusion of pending or threatened future legal proceedings; and other risks and uncertainties, some of which are described under the heading “Risk and Opportunity Report” in the current Annual Report. If any of these risks and uncertainties materializes, or if the assumptions underlying any of our forward-looking statements prove to be incorrect, the actual results may be materially different from those we express or imply by such statements. We do not intend or assume any obligation to update these forward-looking statements since they are based solely on the circumstances at the date of publication.