Sustainability Report 2023

Mercedes-Benz Group

Foreword

GRI 2-22

Dear Reader,

The unique history of Mercedes-Benz is rich in iconic cars, ground-breaking technologies and entrepreneurial success. The one motivation that has always driven us above all others: we can and want to change our company and the world around us for the better. With this in mind, we have established our sustainable business strategy in recent years. It is a prerequisite for remaining economically successful in the long term and thereby also fulfilling the many different external requirements regarding sustainability, social responsibility and good corporate governance as well as those we've established for ourselves.

2023 was a year full of challenges for Mercedes-Benz and the entire automotive industry. The market environment was characterised by challenging conditions, and a wide variety of external factors influenced the economy. However, this does not change the necessity and urgency of decarbonisation. For this reason, we continue to drive our transformation forward. In 2023, we increased sales of fully electric Mercedes-Benz passenger cars by 73 per cent. Electrified vehicles comprised 20 per cent of total passenger car sales. We now offer an electric alternative in every segment in which we compete. And we're also continuing to take the necessary steps to go all-electric. For us, this also includes a well-developed charging infrastructure. We want to install our own Mercedes-Benz high-power charging network with more than 10,000 chargers in our core markets by 2030. We expect our high-power charging network to support the ramp-up of electromobility. Customers and market conditions will set the pace of the transformation. This means: on our path towards CO_2 neutrality, we will remain strategically focused and tactically flexible.

Our focus isn't just on sustainable products: we take a holistic approach to sustainability. Our goal is to become net carbon-neutral across the entire value chain by 2039. We will expand battery production and open a battery recycling factory to close the loop. We are investing in the training and certification of our teams, and are developing our locations into centres of excellence for future technologies. In doing so, we are ensuring a transformation that is socially just. We are developing our own operating system and are increasingly utilising artificial intelligence (AI) in our digital products and services. For this reason, we developed and established principles for the responsible use of AI at an early stage. Both the integration of AI and a successful, sustainable business strategy require data from a wide variety of areas and sources. For us, the responsible handling of data is essential for strengthening our customers' trust in digitalisation.

Respecting human rights along the whole of our value chains is an important and fundamental aspect of our work. For this reason, we strive continuously to further improve transparency across our supply chains, for example.

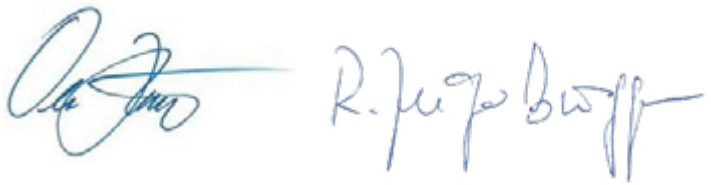
The measures we have instituted exceed basic regulatory compliance standards and are, above all, aimed at protecting human rights.

In August 2023, the Supervisory Board assigned the coordination role for all Mercedes-Benz Group sustainability issues to the Board of Management's Integrity, Governance & Sustainability department. This will ensure an even stronger focus upon and concentration and alignment of these important topics. We have already achieved a great deal in terms of sustainability. But many challenges still lie ahead, including the professional implementation of the regulatory components imposed by European Union legislation.

We are well aware that we cannot accomplish these tasks by ourselves. This is why an ongoing dialogue of equals together with relevant internal and external stakeholders is of great importance. Not only do we need good cooperation with policymakers, but we also want to continue collaborating with the many different players involved. The Advisory Board for Integrity and Sustainability is an important body for our sustainability work. Its members are independent external specialists from the areas of science and academia, civil society and business – and include experts from the fields of environmental and social policy, transport and mobility development, human rights and ethics. Another important instrument for us is the exchange with stakeholders in the form of our "Sustainability Dialogue". In 2023, we organised several of these dialogues in China, Germany, India and the USA.

We understand our responsibility to both our future and our environment. This is why we are committed to making our company sustainable and economically successful in the long term. It is important for us to exercise full transparency in reporting on both our achievements so far and our plans for the future. We hope you'll enjoy our new Sustainability Report and look forward to continuing our constructive dialogue.

Yours



Ola Källenius **Renata Jungo Brüngger**

GOVERNANCE

Sustainable corporate governance

Sustainable business strategy

Sustainability as a driver of change

The Mercedes-Benz Group wants to create sustainable value – economically, ecologically and socially. This is one of the central guiding principles. It applies not only to the Group's own products and production sites, but also encompasses the Group's upstream and downstream value chain. The Mercedes-Benz Group translates this approach into its sustainable business strategy and thus anchors its sustainability issues at the centre of its daily business. The aim is to fulfil expectations and requirements of stakeholders, which are for example: customers, employees, investors, business partners, non-governmental organisations (NGOs) and society as a whole.

↗ Objectives and Strategy, Annual Report 2023

One of the most important goals of the Mercedes-Benz Group is decarbonisation. The Group has firmly established this topic in its sustainable business strategy. In the Mercedes-Benz Group's strategy, this goal is reflected in the "Ambition 2039". By 2039 the entire Mercedes-Benz new vehicle fleet is to be net carbon-neutral across all stages of the value chain[1]. Mercedes-Benz Cars and Mercedes-Benz Vans are taking the necessary steps to go all-electric. Customers and market conditions will set the pace of the transformation. Mercedes-Benz Cars and Mercedes-Benz Vans plan to be in a position to cater to different customer needs, whether it's an all-electric drivetrain or a combustion engine, until well into the 2030s.

The Mercedes-Benz Group at a glance

GRI 2-1/-2/-4/-6

The Mercedes-Benz Group AG is the parent company of the Mercedes-Group and has its registered office in Stuttgart (Germany). The Mercedes-Benz Group is a globally active automobile manufacturer and one of the largest suppliers of luxury vehicles and commercial vans in the premium segment. Financing and leasing products for end customers as well as dealers, fleet management, insurance brokerage, innovative and digital mobility services, the provision of seamless payment methods and the expansion of the charging infrastructure round off the range of services.

In addition to the Mercedes-Benz Group AG, the Mercedes-Benz Group is made up of all subsidiary companies over which the Mercedes-Benz Group AG can exert a direct or indirect controlling influence. It decides on the Group's strategy, manages the Group and, as the Group's parent company, ensures legal, regulatory and compliance functions throughout the Group.

1 Net carbon-neutral means not causing any CO_2 emissions and compensating any CO_2 emissions that do occur through certified projects to offset emissions.

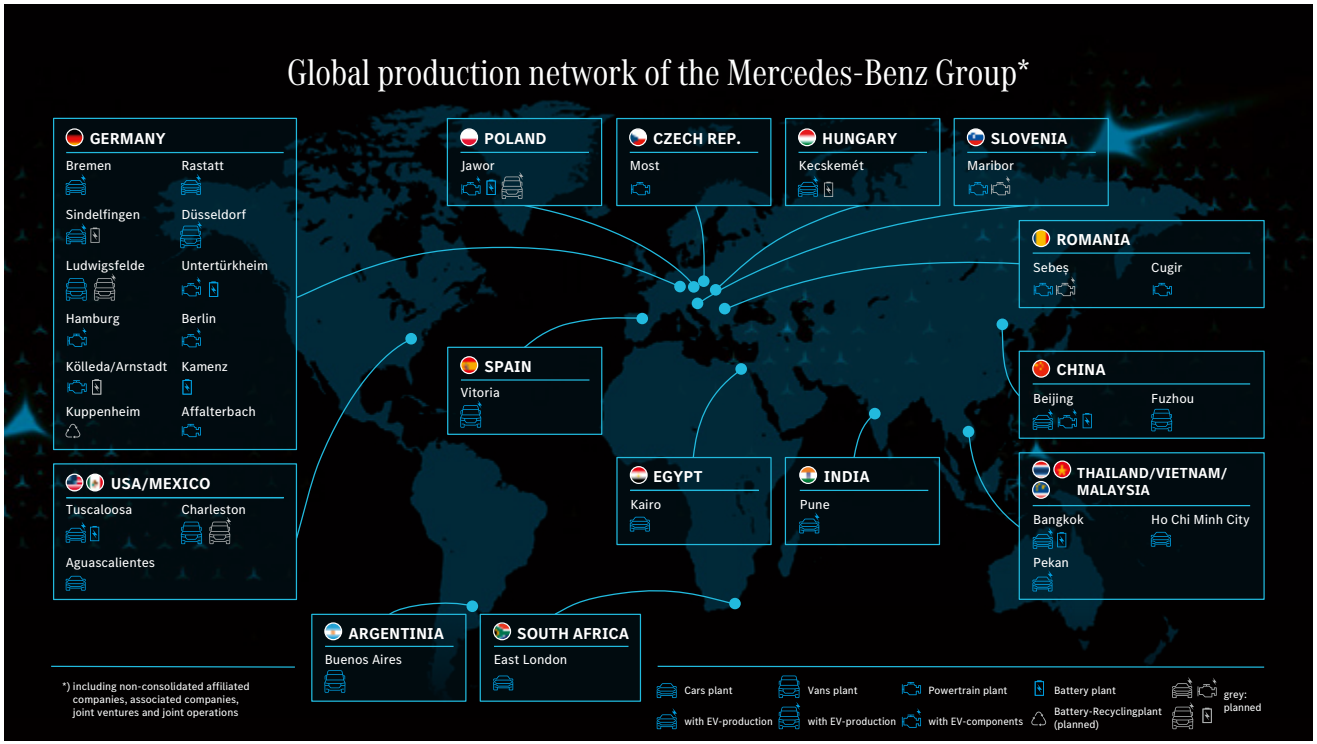
The Mercedes-Benz brand is one of the most valuable brands in the world[2]. The following graphic provides an overview of the Group's brand world.

The brand world of the Mercedes-Benz Group

Mercedes-Benz Group

Mercedes-Benz Cars	Mercedes-Benz Vans	Mercedes-Benz Mobility
Mercedes-Benz	Mercedes-Benz	Mercedes-Benz Bank
MAYBACH		Mercedes-Benz Financial Services
AMG		ATHLON
Mercedes me		

The operating activities of the Mercedes-Benz Group are managed by the Mercedes-Benz Cars, Mercedes-Benz Vans and Mercedes-Benz Mobility divisions. It sells vehicles and services in almost every country in the world and has over 30 production sites in Europe, North and Latin America, Asia and Africa.



2 Study by the US brand consultancy Interbrand in November 2023.

Company profile		
	2023	2022
Employees (status as of December 31)[1]	**166,051**	168,797
Production sites	**>30[2]**	30
Unit sales (in mill. units)	**2.492**	2.456
Financial key figures (in € millions)		
Revenue	**153,218**	150,017
Research and development expenditure Mercedes-Benz Cars and Mercedes-Benz Vans	**9,996**	8,541
Personnel expenses (wages and salaries, social welfare services and pension provisions)	**16,633**	16,501
Total dividend (in €)	**5.30**	5.20

1 Active workforce (employees without holiday workers, thesis writers, interns, working students, PhD students, senior experts and trainees) of Mercedes-Benz Group.
2 Incl. non-consolidated affiliated companies, associated companies, joint ventures and joint operations.

Fields of action and fundamentals of sustainability

GRI 3-2

The Mercedes-Benz Group acts on the basis of the sustainable business strategy adopted by the Board of Management of Mercedes-Benz Group AG with the approval of the Supervisory Board in 2019. Sustainability matters form an integral part of the business strategy.

↗ Objectives and Strategy, Annual Report 2023

With its sustainable business strategy, the Mercedes-Benz Group takes into account the regulatory requirements relevant to its business activities as well as recognised international frameworks, the expectations of external and internal stakeholders and global trends. It regularly carries out materiality assessments in order to identify the strategic fields of action. In doing so, the Mercedes-Benz Group is also guided by the 17 Sustainable Development Goals (SDGs) of the United Nations, in particular SDGs 8 and 9 as well as 11 to 13 and concentrates on the areas where it can create added value. It discusses the key areas for action with the involvement of relevant stakeholder groups. In the reporting year, the Mercedes-Benz Group confirmed the following six areas of action in this process and, where necessary, specified the associated strategic ambitions:

1. **Climate protection and air quality:** By 2039, the Mercedes-Benz new vehicle fleet is to become CO_2-neutral in the net effect[3] along the entire value chain and is no longer to have any impact on NO_2 pollution in urban areas by 2025.
2. **Resource conservation:** The Mercedes-Benz Group wants to decouple resource consumption from the growth in business volume.
3. **More sustainable urban mobility:** The Mercedes-Benz Group aspires to improve the quality of life in cities through mobility and transport solutions.
4. **Traffic safety:** The Mercedes-Benz Group is pursuing the vision of accident-free driving and developing automated driving in consideration of social and ethical aspects.
5. **Data responsibility:** Customer trust and the responsible handling of customer data are the basis for sustainable digital products and services.
6. **Human rights:** The Mercedes-Benz Group assumes responsibility and is committed to safeguarding human rights along its own automotive value chain

3 Net carbon-neutral means not causing any CO_2 emissions and compensating any CO_2 emissions that do occur through certified projects to offset emissions.

The Mercedes-Benz Group has defined three “enablers” which are critical for its success in these six areas of action:

1. **Integrity:** In order to firmly anchor integrity in all areas, the Mercedes-Benz Group considers two crucial aspects: for one, by establishing adequate structures with appropriate policies and processes, the organisation is able to provide the foundation for all parties to act with integrity. For another, the Group focuses on empowering each employee individually to understand the concept of integrity and thereby to act ethically and sustainably.

2. **People:** As an attractive employer, Mercedes-Benz offers modern and flexible working conditions as well as extensive opportunities for continuing education for all employees at every stage of their lives. At the same time, the Mercedes-Benz Group is continuously advancing the diversity of its workforce as the foundation of its corporate strategy and promoting an inclusive corporate culture.

3. **Partnerships:** The Mercedes-Benz Group enters into partnerships with social and political players in order to achieve the goals of the sustainable business strategy against the backdrop of the ecological and social challenges of our time. The Group’s principles for political dialogue and advocacy provide the basis for responsible and reliable action within these partnerships.

United Nations Sustainable Development Goals

In order to define and organise its key areas of action, the Mercedes-Benz Group is guided by the UN Sustainable Development Goals. To this end, it concentrates on the areas in which it can create added value.

The following SDGs are the focus of the work of the Mercedes-Benz Group:

SDG 8 — Decent work and economic growth:
The Group has developed and now implements a risk-based management approach to respecting and safeguarding human rights in its own units and in the supply chain. Through its production and large procurement volume, the Mercedes-Benz Group also creates jobs all over the world.

SDG 9 — Industry, innovation and infrastructure:
Digitisation and electrification – this is how the Mercedes-Benz Group is shaping the sustainable mobility of the future and contributing to greater safety, for example. It also demonstrates the potential of digital innovations for society.

SDG 11 — Sustainable cities and communities:
With its vehicles, data-based solutions for greater traffic safety for all road users or to improve traffic flow and the multimodal linking and mobility services, the Mercedes-Benz Group is making a contribution to more sustainable mobility in urban centres.

SDG 12 — Sustainable consumption and production:
The Mercedes-Benz Group is working to increase the efficiency of its vehicles and significantly reduce its use of raw materials. One of the tasks here is to reinforce the closed material loops for the primary raw materials which are needed for electric vehicles. In this way, the Mercedes-Benz Group is setting the course for sustainable production.

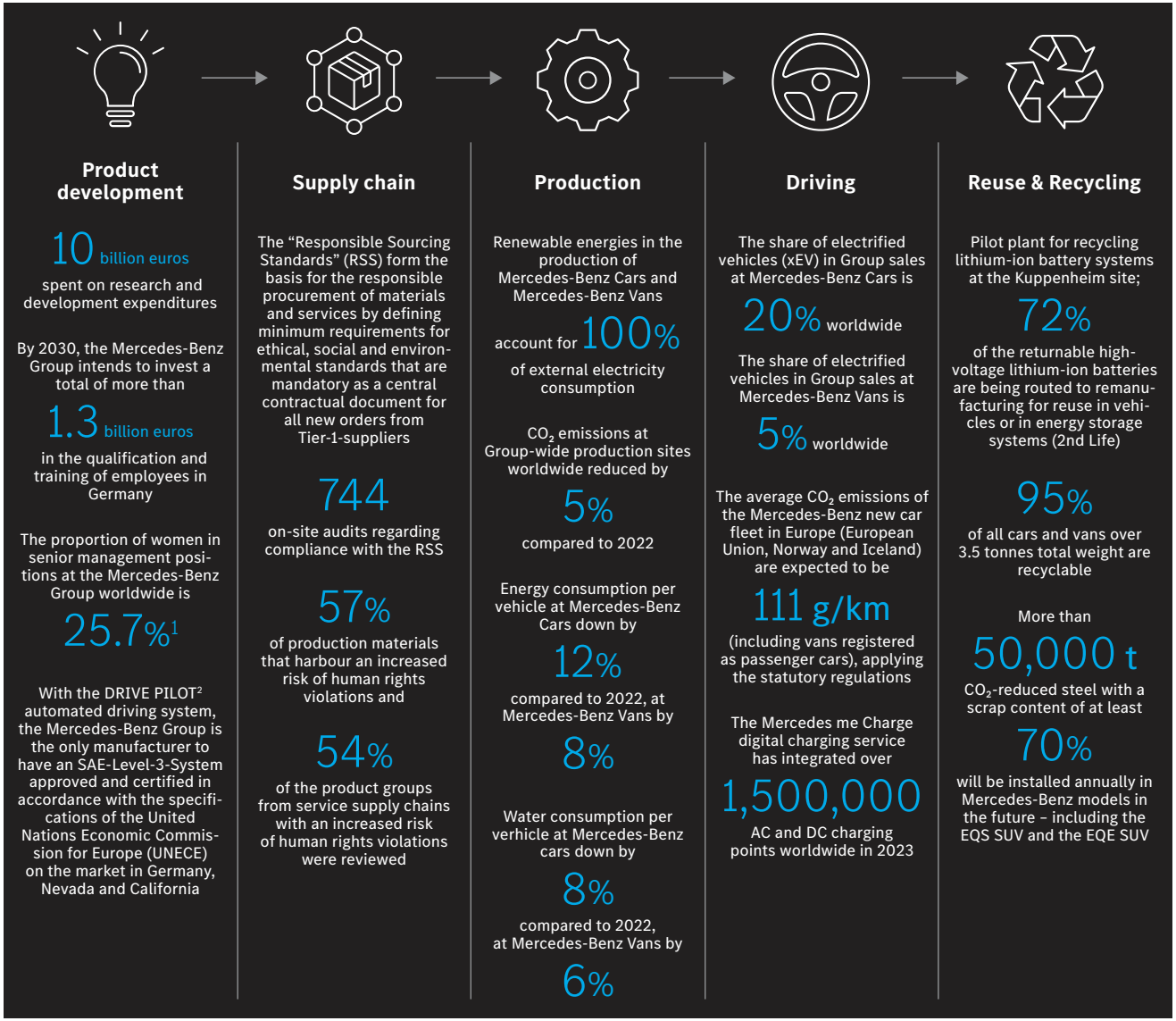
SDG 13 — Climate action:
Through its sustainable business strategy and the associated measures and targets for reducing emissions from its own vehicles, plants and supply chains, the Mercedes-Benz Group aims to reduce its environmental impact on the climate.

Along the value chain

GRI 2-6

The automotive industry is currently undergoing a profound process of change, which the Mercedes-Benz Group would like to actively shape. It considers the entire value chain. This covers the entire vehicle life-cycle – from development through the supply chain and in-house production to the use and disposal of the vehicles. It aims to avoid or minimise the negative impacts of its business activities as far as possible, and to create sustainable value – economically, ecologically and socially.

The diagram below shows the main stages of the Mercedes-Benz value chain in simplified form.



1 Headcounts, fully consolidated companies.
2 Availability and use of the DRIVE PILOT functions on motorways depend on equipment, countries and applicable laws.

Product development
The Mercedes-Benz Group offers a broad product portfolio of passenger cars, vans and commercial vans. The aim of the Mercedes-Benz Group is to further expand its portfolio of electric vehicles. To this end, it is strongly involved in research and development.

Supply chain
Mercedes-Benz vehicles consist of several thousand components – raw materials such as iron, copper or aluminium, primary products such as steel, sub-products such as seats, wiring harnesses, etc. – and the supply chain is correspondingly complex: it comprises several tens of thousands of direct suppliers for production and non-production materials, primarily from the regions of Europe, Asia and North America. These in turn have sub-suppliers.

Production
The Mercedes-Benz Group has more than 30[4] own production sites worldwide on five continents. Vehicles and components – including transmissions, axles, engines, electric drive systems and batteries – are produced there.

Vehicle operation
With its brands and mobility services, the Mercedes-Benz Group is represented in almost every country in the world. Around 2,492 million cars and vans were delivered by the Group to customers in 2023. The Group also wants to support its customers in adopting a climate-friendly driving style and making purchasing decisions in favour of locally emission-free vehicles.

Reusing and recycling
The Mercedes-Benz Group follows the waste hierarchy. The primary objective is to avoid waste. Only then, according to the waste hierarchy, should measures be implemented to allow reuse of various components and parts through remanufacturing, or to recover materials through recycling.

The following table shows some of the significant progress made by the Mercedes-Benz Group in the various areas of action and with respect to its defined enablers over the course of 2023.

Sustainability management

Materiality assessment

GRI 3-1/-2

To determine which sustainability topics are particularly relevant for the Mercedes-Benz Group and its stakeholders, the Group carried out a comprehensive materiality assessment in 2021. This was finalised in summer 2022 and will also apply to 2023 following a review of the areas of action.

In addition to the six strategic fields of action, further potentially relevant sustainability topics and trends were analysed. A total of 17 topics were assessed, which are broken down into further sub-topics.

In its analysis, the Mercedes-Benz Group considered two perspectives:

- **Inside out:** The positive or negative influences of the Group's business activities on the economy, the environment and society are brought into focus.
- **Outside in:** The impact of external requirements and expectations of the Group's sustainability performance on its business activities, business results and general situation is considered.

4 Incl. non-consolidated affiliated companies, associated companies, joint ventures and joint operations.

The analysis consisted of several components.

A comprehensive desk analysis and an international online survey formed the basis for assessing the relevance of sustainability topics and trends. Around 15,000 people from 52 countries took part – they represent relevant stakeholder groups such as private and business customers, interested consumers, investors, employees, suppliers and business partners, representatives from politics, science and administration, as well as non-governmental organisations (NGOs).

In addition, the Mercedes-Benz Group conducted around 20 interviews with both internal and external experts from these stakeholder groups. The aim was to evaluate the Group's sustainability performance to date, to identify sustainability trends and thereby to assess the relevance of sustainability issues.

The Mercedes-Benz Group also undertook an assessment of the impact of its business activities on the environment and society (inside out). The results were taken into account when assessing the relevance of topics in the inside-out dimension.

For the assessment of topics in the outside-in dimension, the Mercedes-Benz Group analysed the reporting of relevant competitors on their business development and sustainability performance, the media reporting on selected sustainability topics over a longer time period, central NGO positions, regulatory requirements, as well as information relevant to the capital market, and had these weighted by the stakeholder groups according to their relevance.

As a further step, the Mercedes-Benz Group examined the sustainability issues arising from the analysis in terms of its net assets, financial position, operating results and business performance. The topics for the non-financial declaration were defined on this basis.

↗ Non-financial declaration, Annual Report 2023

The materiality assessment thus fulfils both the reporting requirements of the Global Reporting Initiative (GRI) and of the CSR Directive Implementation Act (CSR-RUG).

The Group is currently working on a materiality assessment that reflects the requirements of the Corporate Sustainability Reporting Directive (CSRD). It is expected to be completed at the beginning of the second quarter of 2024 and will form the basis for the Sustainability Statement 2024, among other things. At the same time together with the materiality assessment, the sustainable business strategy is being revised. The results of the materiality assessment as well as regulatory and strategic developments, stakeholder feedback and general trends are taken into account. For the reporting year 2024, the refocused sustainable fields ("Human Rights", "People", "Traffic Safety", "Decarbonisation", "Resouce Use & Circularity", "Digital Trust") will be incorporated into the sustainable business strategy.

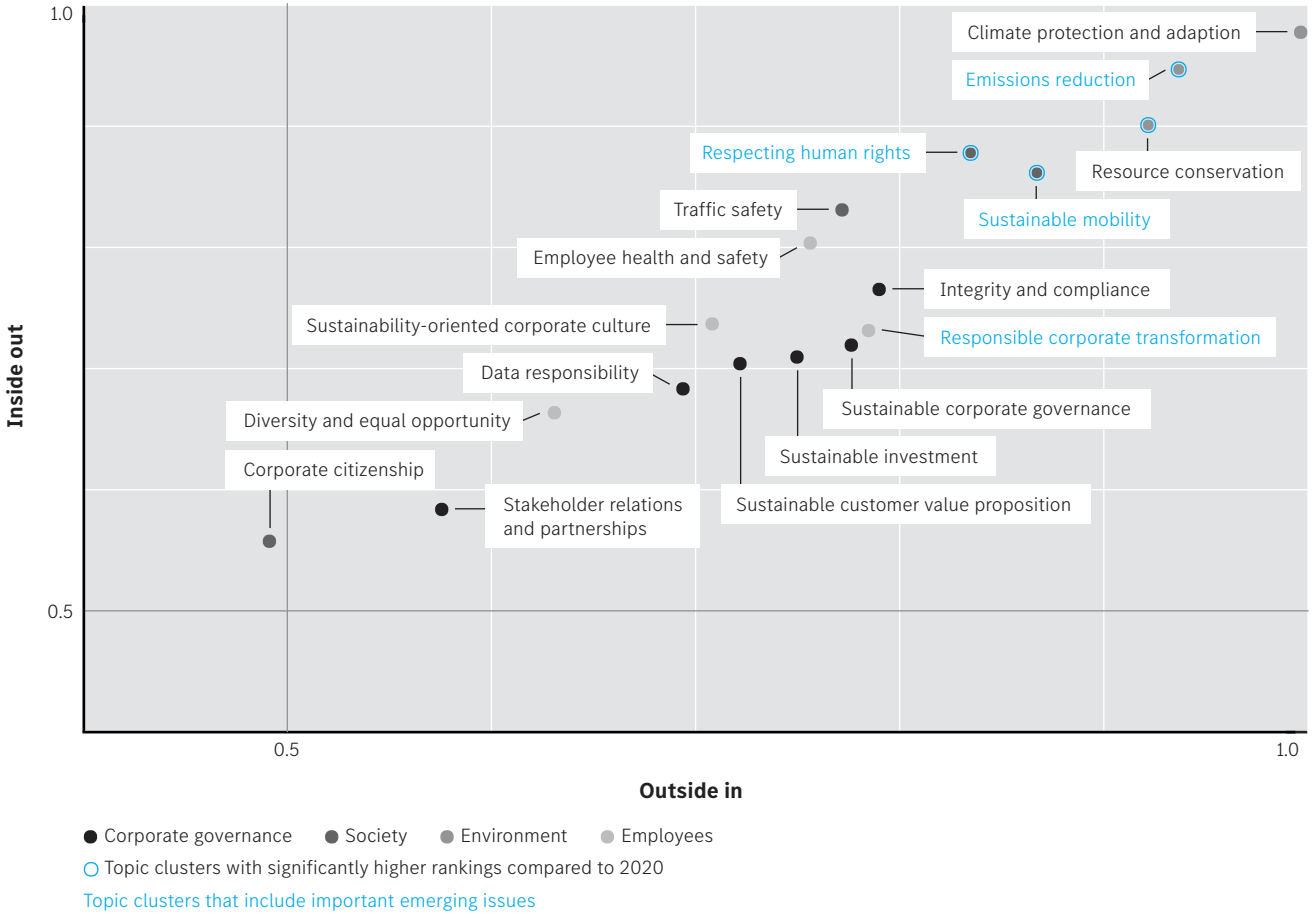
Procedure for materiality analysis

The materiality matrix shows the topics according to their relevance: "Climate protection and adaptation", "Emissions reduction" and "Resource conservation" have the highest importance based on the analysis and the stakeholder survey. The same applies to the thematic complexes of "Respect for human rights" and "Sustainable mobility". This confirms the Group's own strategic areas of action.

The results of the materiality assessment were discussed in detail with all responsible specialist departments and presented to the then Group Sustainability Board (GSB) in the third quarter of 2022. They provide an important basis for the critical consideration and further development of the sustainable business strategy. In addition, the Mercedes-Benz Group bases its identification of sustainability-related opportunities and risks on the topics identified in the materiality assessment. The Mercedes-Benz Group discloses significant risks and opportunities in the areas of environment, social and governance (ESG) in the Risk and Opportunity Report within the Annual Report.

↗ Risk and Opportunity Report, Annual Report 2023

Materiality matrix



1 For readability, the graph shows a section of the materiality matrix.
2 The marked lines on the x and y axes show the materiality threshold set by the Mercedes-Benz Group, above which topics for this Sustainability Report were classified as material.

Thematic clusters and topics

Thematic cluster	Topics
Sustainable corporate governance	Anchoring sustainability in the management of the company along the value chain
	Consideration of ESG risks in risk management
	Anchoring sustainability in the business strategy
	Sustainability as a criterion for remuneration
	Responsible tax payment and use of public funding
	Transparent reporting on sustainability matters
Climate protection and adaptation	Zero-emission vehicles/electric mobility
	Low-carbon vehicles
	Decarbonising production and further business activities of the Mercedes-Benz Group
	Climate protection in the supply chain
	Green charging of electric vehicles
	Climate adaptation of Mercedes-Benz sites and operations
Emissions reduction	Low-pollutant vehicles
	Low-pollutant production
	Noise control
Resource conservation	Energy efficiency and renewable energies
	Sustainable use of water
	Prevention of pollution from waste
	Nature conservation and biodiversity
	Material efficiency and use of sustainable materials
	The circular economy
	Resource conservation in the supply chain

Thematic cluster	Topics
More sustainable mobility	Sustainable mobility systems
	Access to mobility
	Sustainable logistics
	Expansion of the charging infrastructure
Traffic safety	Vehicle safety
	Safe road traffic
	Automated driving
Data responsibility	Data protection
	Cyber security
	Responsible use of artificial intelligence
	Data-based solutions for sustainable mobility
Respect for human rights	Respect for human rights in own units
	Human rights due diligence in the supply chain
	Human rights due diligence in sales
Integrity and compliance	Compliance with laws and regulations
	Integrity
	Integrity in business practices of suppliers and business partners
Responsible corporate transformation	Responsible and sustainable employment
	Corporate co-determination
	Vocational training and continuing education
Employee health and safety	Workplace health promotion
	Occupational health & safety
Sustainability-focused corporate culture	Leadership culture
	Modern forms of work and working times
Diversity and equal opportunities	Diversity in the workforce
	Adequate remuneration
	Consideration of diversity in the development and marketing of products and services

Thematic cluster	Topics
Stakeholder relations and partnerships	Political dialogue at the national and international level
	Stakeholder dialogue at the corporate level
	Local and regional stakeholder dialogue
Civic engagement	Company-run projects for the community (commitment to location)
	Voluntary employee engagement
	Worldwide promotion of projects run by non-profit organisations and foundations within the scope of the global responsibility
Sustainable customer value proposition	Customer awareness of sustainability
	Transparent labelling of products and services
	Sustainability of sales network
Sustainable investment	Mercedes-Benz as a sustainable opportunity for investment
	Mercedes-Benz as a sustainable investor

Managing sustainability

GRI 2-1/-6/-9/-11/-12/-13/-14/-18/-19/-20 GRI 303-1

The Mercedes-Benz Group AG is responsible for the Group governance and provides services for all corporate entities. As the parent company, it also defines the strategy of the Mercedes-Benz Group. It decides on strategically important matters in its operational business and ensures regulatory, legal and compliance functions throughout the Group.

The Group's own governance structure consists of the Board of Management and the Supervisory Board and corresponds to the dual management structure required for a joint stock company under German law. The Board of Management manages the Mercedes-Benz Group, while the Supervisory Board monitors and advises the Board of Management. The two bodies work together very closely for the benefit of the Group. The Mercedes-Benz Group adheres to the German Corporate Governance Code, as documented by the annual statement of compliance.

↗ Statement of Compliance 2023

The remuneration of the Board of Management and managers was adjusted in 2023. This was intended to reduce the complexity of the remuneration system, create transparency and ensure holistic incentivisation of sustainable management within the Group. In addition to financial targets, the variable remuneration of the Board of Management and managers of the other management levels one to three, and of parts of level four, includes short-term transformation targets for CO_2 emissions, safety innovations and ESG stakeholder management; for 2023, for the first time it also includes long-term sustainability targets for the proportionate sales of plug-in hybrids (PHEV) and Battery electric vehicles (BEV)[5] and for the review of high-risk production materials as well as for diversity and inclusion. Furthermore, the variable remuneration continues to include non-financial targets relating to customers, employees and integrity.

↗ Remuneration Report 2023

↗ Annual Report 2023

The Mercedes-Benz Group manages the work in the strategic action fields – in addition to other tasks – using an internal reporting process with detailed scorecards. Clearly defined responsibilities in the management and organisation structures for each of the business divisions are in place to support this process.

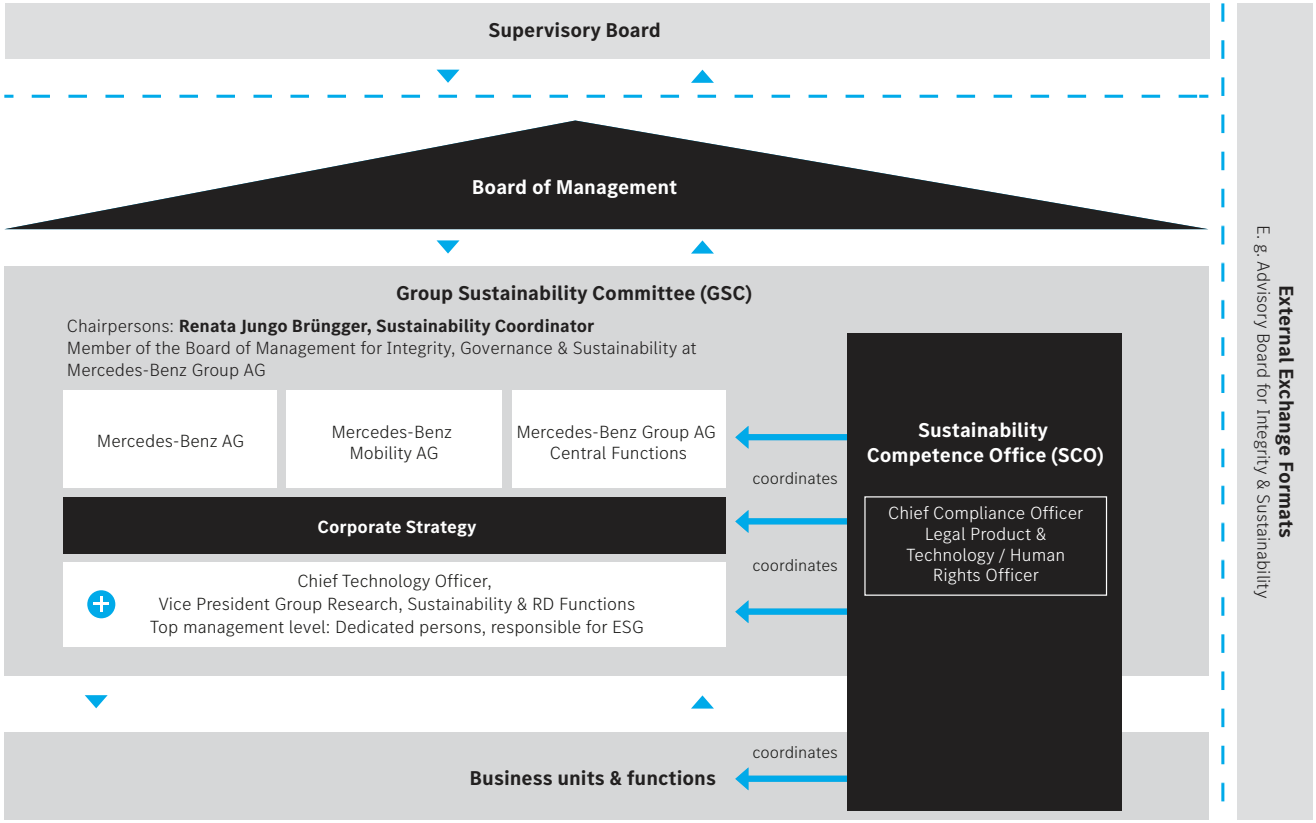
At the end of July 2023, the Supervisory Board decided to establish a cross-departmental management and coordination function for Group-wide sustainability management at the Board of Management level. Renata Jungo Brüngger took over the corresponding function of Sustainability Coordinator on 1 August 2023. Her Board of Management central division is now called Integrity, Governance & Sustainability (formerly Integrity and Law).

The previous central management body for sustainability, the Group Sustainability Board (GSB), chaired by the two Board of Management members Renata Jungo Brüngger and Markus Schäfer, was replaced by the Group Sustainability Committee (GSC) in the reporting year. The new committee meets quarterly chaired by Renata Jungo Brüngger as Sustainability Coordinator. It is made up of representatives from top management and manages ESG issues holistically across departments, divisions and regions based on targets, KPIs and responsibilities. The members of the GSC first discuss selected sustainability-related topics and issues before submitting them to the Board of Management for decision-making. The members of the GSC are also responsible for the implementation of sustainability issues in their respective departments. With the new structure, the Mercedes-Benz Group is pursuing the goal of creating a leaner committee landscape, enabling more efficient decision-making processes and establishing responsibility for sustainability issues even more firmly in the individual departments and divisions.

5 Further information on sales of plug-in hybrids and fully electric cars can be found in the chapter "climate protection: measures and results".

Governance

GRI 2-1/-6/-9/-11/-12/-13/-14/-18/-19/-20



At the Sustainability Coordination Meeting (SCM), the GSC engages in dialogue with representatives from all relevant departments and specialist areas. The SCM meets regularly on a fortnightly basis under the leadership of the Sustainability Competence Office (SCO). This in turn advises and supports the specialist departments in implementing the tasks received from the Board of Management or GSC. The SCO also monitors the progress made with respect to the six areas of action and the three enablers defined in the sustainable business strategy. The results of the work carried out during the year are reported to the GSC and the Board of Management of Mercedes-Benz Group AG at least twice a year in the form of detailed scorecards.

Regular dialogue with experts from the national companies in existing networks was intensified. The “Sustainability Forum” dialogue format launched in 2020 is now firmly established and offers colleagues from the international subsidiaries a regular opportunity to find out about and exchange information on current developments at Group headquarters and in the markets. The forum focuses on information and dialogue on current developments in sustainable business strategy, including involvement in the materiality assessment, sustainability goals and areas of action. The international experts also discuss local best practice examples, lighthouse projects and other relevant topics.

↗ Climate protection in production – More sustainable sales operations

The Supervisory Board of Mercedes-Benz Group AG monitors the implementation of the sustainable business strategy. It is therefore important that it and its committees are appropriately informed about the relevant sustainability issues in the areas of environment, social affairs and governance. To ensure this, ESG topics are regularly addressed in the Supervisory Board meetings. ESG experts from different departments are consulted for this purpose. ESG-related topics were also discussed during the strategy meeting of the Supervisory Board. In addition, the members of the management and supervisory bodies regularly discuss the progress made in implementing the sustainable business strategy with the Advisory Board for Integrity and Sustainability. On the part of the Supervisory Board, Dame Polly Courtice, among others, contributes her extensive expertise in the field of sustainability in various areas.

↗ Integrity – Advisory Sub-Committee for Integrity and Sustainability

Policies, standards and principles

GRI 2-23-/24

Integrity, compliance and legal responsibility are cornerstones of sustainable corporate governance and are obligatory for the actions of all employees of the Mercedes-Benz Group. The central requirements for this are set out in the Group's Integrity Code. It is supplemented by other in-house principles and policies.

The "House of Policies" is the digital platform for policies. All internal policies and works agreements at the Mercedes-Benz Group are stored here in a user-friendly database, which is accessible to all employees. The policies are available in several languages. Employees can also access compact web-based training on policies here, while Group companies can access advice on the local implementation of policies.

The Mercedes-Benz Group also uses the ten principles of the UN Global Compact as fundamental guidelines for its business activities. As a founding member, it is particularly committed to the UN Global Compact (UNGC).

The internal principles and policies of the Mercedes-Benz Group build on this international frame of reference and other international principles. These include the core labour standards of the International Labour Organization (ILO), the Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development (OECD) and the UN Guiding Principles on Business and Human Rights.

Risk and opportunity management

GRI 2-12/-23/-24/-25 GRI 3-3 GRI 201-2 GRI 413-2

The Mercedes-Benz Group is exposed to different risks that are directly linked with the business activities of Mercedes-Benz Group AG and its subsidiaries or that result from external influences. The Mercedes-Benz Group defines risk as the danger that events, developments or actions will prevent the Group or one of its divisions from achieving its objectives. This includes monetary and non-monetary risks. At the same time, it is important to identify opportunities in order to safeguard and enhance the competitive capability of the Mercedes-Benz Group. The Mercedes-Benz Group defines an opportunity as the possibility of securing or exceeding the planned goals of the Group or a business division as a result of events, developments or actions.

In order to identify these risks and opportunities at an early stage and assess and manage them systematically, adequate and effective management and control systems, which are clustered into a risk and opportunity management system, are applied. Opportunities and risks are not offset.

The risk management system is intended to systematically and continually identify, assess, control, monitor and report risks threatening the Mercedes-Benz Group's existence and other material risks in order to sustainably support the achievement of the corporate targets and to enhance risk awareness in the Group. The risk management system is integrated into the value-based management and planning system of the

Mercedes-Benz Group and is also an integral part of the overall planning, management and reporting process in the legal entities, divisions and corporate functions.

The opportunity management system at the Mercedes-Benz Group is based on the risk management system. The objective of opportunity management is to recognise the possible opportunities arising in business activities early on and to exploit them in the best possible way for the benefit of the Group. This should result in planned targets being met or exceeded.

As part of the planning process, risks and opportunities are recorded within an observation horizon of up to five years. Strategic risks and opportunities are also considered in the risk and opportunity management process. Responsibility for operational risk management and risk management processes lies with the segments, corporate functions, organisational units and companies. They report on the concrete risks and opportunities at regular intervals to their superordinate units. Unexpectedly occurring material risks must be promptly reported. The information is passed on to Group Risk Management via the segments for reporting to the Board of Management, Audit Committee and Supervisory Board.

The responsible divisions manage the risks and opportunities in the Group through various measures. Their task is to define and, if necessary, initiate these measures in order to avoid and reduce risks. Furthermore, measures must be implemented to seize identified opportunities. Whether a measure is cost-effective is assessed by the person responsible for the measure before it is implemented, with the involvement of Controlling.

The Group Risk Management Committee (GRMC) is responsible for the continuous improvement and assessment of the appropriateness and effectiveness of the risk management system and the internal control system (including the Compliance Management System – CMS) in relation to the scope of the Group's business activities and risk situation. It is chaired by the members of the Board of Management of Mercedes-Benz Group AG responsible for Finance & Controlling, Mercedes-Benz Mobility, as well as Integrity, Governance & Sustainability. Alongside these, as of 31 December 2023, the GRMC consisted of representatives from Mercedes-Benz Group Finance, Legal Affairs, Compliance, Group Security, Global Cyber & Information Security and the members of Mercedes-Benz Mobility AG responsible for Finance. Corporate Audit contributes significant findings regarding the internal controlling and risk management system.

Firm integration of sustainability-related risks and opportunities

Sustainability-related risks and opportunities are an integral part of the Group-wide risk and opportunity management system. When identifying these risks and opportunities, the Mercedes-Benz Group is guided by the topics identified by the materiality assessment and thus includes the areas of action of the sustainable business strategy, which are assigned specific targets. Sustainability risks and opportunities are defined as conditions, events or developments relating to ESG issues whose occurrence may have an actual or potential impact on the results of operations, financial position and net assets or on the reputation of the Mercedes-Benz Group or whose occurrence may have a positive or negative impact on the economy, environment or society.

ESG topics – related to the environment – include the effects of climatic conditions and changes. Risks to the transformation process of the Group could arise due to changes in the political framework, technological developments and changing markets.

Labour law standards, occupational and product safety as well as product liability and compliance with labour law standards at suppliers are examples of issues that fall under the heading of social affairs that could harbour risks. The governance area deals with provisions from competition law and measures to prevent corruption, for example.

From today's perspective, there are no ESG-related risks and opportunities associated with the Mercedes-Benz Group's own business activities, business relationships or products and services that are very likely to have a serious negative impact on the non-financial aspects in accordance with Sections 315c and 289c of the German Commercial Code (HGB). Risks and opportunities in connection with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) are environmental factors and are therefore also

identified and assessed as part of the risk management process.

↗ Risk and Opportunity Report, Annual Report 2023

Dialogue with stakeholders

GRI 2-12/-16/-29

The Mercedes-Benz Group attaches great importance to engaging in dialogue with its interest groups. This dialogue enables the organisation to look at its sustainability commitment from different angles, to identify and pick up on new trends and to exchange experiences. The prerequisite for this is that the Mercedes-Benz Group knows its stakeholders. Stakeholders are individuals and organisations that have legal, financial, ethical or ecological claims on or expectations of a company. Based on this, the Mercedes-Benz Group has identified customers, employees, investors and suppliers as its primary stakeholders. In addition, the Mercedes-Benz Group regularly engages in dialogue with civic groups such as NGOs. The Group also maintains contact with associations, trade unions, the media, analysts, local authorities, people from the surrounding neighbourhood of the Group's locations, and figures from the worlds of science and politics.

Exemplary instruments of the stakeholder management approach

Information

- Mercedes-Benz Sustainability Report and regional reports
- Group's website
- Employee portal and additional internal communication channels
- Press and public-relations work
- Blogs and social media
- Plant tours, receptions, Mercedes-Benz Museum
- Environmental declarations by the plants
- Capital market communication
- "Climate Policy Report"
- Sustainability rankings and ratings

Dialogue

- Annual Sustainability Dialogue (Germany/regions)
- Local dialogue with residents and municipalities
- Internal dialogue sessions on integrity and compliance
- Supplier Portal
- Involvement in sustainability initiatives and networks
- Specialist conferences on social topics and debates
- Topic- and project-related discussions
- Dialogue formats on future-oriented questions: think tanks, hackathons, idea competitions
- "The Sustainability Forum"
- Capital market events: capital market days, investor conferences, roadshows

Participation

- Stakeholder consultation in topic-related working groups
- Advisory Board for Integrity and Sustainability
- Peer review within the framework of sustainability initiatives such as the UN Global Compact and the Global Reporting Initiative

In order to implement dialogue with its stakeholders across the organisation, the Mercedes-Benz Group has defined clear responsibilities and communication channels for this process and established specific forms of dialogue. The various dialogue formats are initiated by the Integrity, Governance & Sustainability central division and other areas such as External Affairs.

↗ Trusted partner – Dialogue with stakeholders

↗ Further Information – Memberships, associations and initiatives

The Mercedes-Benz Group makes use of various forma in order to engage in dialogue with relevant stakeholders. Among other things, it organises annual "Sustainability Dialogues", conducts stakeholder surveys as well as specialist conferences and thematic dialogues – for example in the form of workshops or via the Advisory Board for Integrity and Sustainability. In addition, it monitors current public discussions and gathers information about related expectations by participating in sector-specific and cross-sector networks and initiatives. Studies and other scientific publications are also evaluated and internal media analyses undertaken. This helps the Group to identify developments and stakeholder expectations at an early stage in addition to the dialogue it initiates.

The Sustainability Dialogue

An important tool for the implementation is the exchange with stakeholders in the form of the "Sustainability Dialogue". It has been held once a year in Stuttgart (Germany) since 2008 and brings together stakeholders from different areas with members of the Board of Management of Mercedes-Benz Group AG and management. In addition to presentations and panel discussions, the participants discuss selected sustainability topics in various workshops organised by the respective departments and work together to further develop their approaches.

In the 2023 reporting year, the Mercedes-Benz Group "Sustainability Dialogue 2023" took place in China, Germany, India and the USA.

Sustainable investment

The increasing demand for ESG-oriented investment products from institutional and private investors, as well as the regulatory momentum of recent years, has led to a demand for greater transparency about how ESG factors are taken into account in asset management and investment decisions. At the same time, this offers companies an additional opportunity to differentiate themselves in the competition for equity and debt capital by demonstrating a sustainable business strategy, ambitious ESG targets and transparent ESG reporting along the entire value chain. A large number of reporting frameworks now exist for this purpose. This includes both voluntary standards, such as the recommendations of the TCFD or the framework of the Sustainability Accounting Standards Board (SASB) as well as statutory disclosure requirements. Among them are included the EU taxonomy and the Corporate Sustainability Reporting Directive (CSRD) with the European Sustainability Reporting Standards (ESRS), which will apply from the 2024 reporting year and are intended to ensure greater transparency for investors. This makes ESG reporting both more complex and more demanding.

The Mercedes-Benz Group's external reporting focuses on the reporting standards relevant to the Group's investors in the reporting year (including TCFD, SASB, GRI) and on more extensive publications such as the Climate Transition Action Plan Report (CTAP), the Climate Policy Report or the Raw Materials Report. Meanwhile, the Mercedes-Benz Group is constantly monitoring how the requirements of its investors regarding ESG reporting are developing and, in addition to the legal requirements, is reviewing their implementation in its own reporting.

↗ TCFD reference table

↗ SASB reference table

Financing the sustainable business strategy

The implementation of the sustainable business strategy of the Mercedes-Benz Group requires substantial investments. One of the Group's objectives is therefore to ensure that its own securities are recognised even more strongly on the capital market as sustainable investments. To this end, the Mercedes-Benz Group maintains a continuous dialogue with capital market players on both the equity and debt capital markets. It uses various platforms for this purpose. In the 2023 reporting year, for example, the Mercedes-Benz Group informed investors and analysts about the latest developments in its sustainable business strategy at its second digital ESG conference.

The Investor Relations & Treasury unit of Mercedes-Benz Group AG works closely with the internal sustainability departments on ESG communication and is incorporated into the relevant committees (e.g. the GSC). The Mercedes-Benz Group is thus taking account of the fact that sustainable investing has become a key investment strategy – especially for institutional investors. They place particularly high demands on the transparency of external reporting according to ESG criteria.

↗ Sustainable corporate governance – Managing sustainability

Ratings and bonds

ESG rating agencies such as MSCI, Sustainalytics, ISS ESG or CDP are important players on the capital market and in the sustainability-oriented investment process; they serve as a further decision-making aid for many investors.

In the disclosure of its climate-related activities in the CDP climate questionnaire, the Mercedes-Benz Group achieved an A- rating in the reporting year. In addition, it has reported on water-related activities for the second time in the separate CDP water questionnaire and subsequently achieved an A- rating. The ESG rating agencies MSCI, Sustainalytics and ISS ESG rank the Mercedes-Benz Group among the top companies rated in the automotive sector.

The various specialist units of the Mercedes-Benz Group work closely together with the aim of providing the rating agencies with adequate information. The Group intends to continue the ongoing development of its external reporting, close any gaps and initiate internal change processes.

In order to position the Mercedes-Benz Group as a sustainable corporation for investments even more strongly and to utilise ESG-based capital for business development, the Group updated its "Green Finance Framework". This framework makes it possible to finance investments in the development, production and customer financing of all-electric vehicles in a targeted manner, for example through bonds or loans. On this basis, the Mercedes-Benz Group again issued bonds with terms of three and eight years in May 2023. In June 2023, it also issued another bond outside the European market as a Green Panda Bond in China.

The framework is based on the Green Bond Principles, voluntary process guidelines of the International Capital Market Association (ICMA), the Green Loan Principles, joint voluntary guidelines of the Loan Market Association (LMA) and the Asia Pacific Loan Market Association (APLMA). The revised framework was developed by the Centre for International Climate and Environmental Research (CICERO) and received the highest rating of "Dark Green" and an "Excellent" for its governance structure.

Sustainable investment of pension assets

When investing pension assets, the Mercedes-Benz Group itself acts as an investor. ESG criteria also play an increasingly important role for this.

For the German pension assets, the following objectives have been defined for the consideration of ESG criteria: creation of transparency in dealing with sustainability aspects, utilisation of opportunities from sustainable developments, and appropriate consideration of sustainability risks. The majority of the German pension assets are invested via asset managers, to whom the Group issues individual mandates.

In coordination with the Investment Committees, the Mercedes-Benz Group is paying greater attention to the consideration and transparency of sustainability aspects in the investment process as part of its sustainability concept. When sustainable investments are made, consideration is also given to the associated risk and profitability aspects. In relation to liquid asset classes, the Mercedes-Benz Group works exclusively with asset managers who have signed the UN Principles for Responsible Investment (PRI). Using a negative list, investments in companies and countries that do not fulfil the Group's own core requirements should be excluded. The Mercedes-Benz Group utilises opportunities arising from sustainable developments by implementing ESG-themed investments. It is also focussing on successively integrating sustainability aspects into its mandates, for example via benchmarks or sustainability indicators. To this end, it set sustainability targets in 2023 for some of its mandates with external asset managers and anchored these accordingly in the investment policies. Taking into account the available data coverage, the Group was thus able to achieve lower carbon footprint for its asset classes equities and corporate bonds of the German pension assets compared to the aggregated benchmark. Whereas the aggregated benchmark is determined by the indices awarded to the asset managers, the carbon footprint is calculated based on externally bought ESG data. In addition, the Mercedes-Benz Group established internal reporting on various sustainability indicators for the German pension assets.

The measures implemented as part of the sustainability concept are regularly reviewed and adapted to current developments. Mercedes-Benz Pensionsfonds AG takes into account adverse effects on sustainability factors within the framework of the Sustainable Finance Disclosure Regulation. For investing foreign pension assets, country-specific requirements regarding consideration of ESG criteria apply.

Tax obligation

GRI 3-3 GRI 207-1/-2/-3

The Mercedes-Benz Group sees itself as a responsible corporation that strives to comply with the tax obligations applicable worldwide and to make responsible use of public subsidies. In doing so, the Group also wants to fulfil its social and ethical responsibility.

The Group tax strategy is oriented to the following principles in particular:

- By using efficient, high-quality and reliable expertise, processes, systems, methods and controls, the Mercedes-Benz Group aims to ensure that the tax obligations of the corporate entities are met and integrity standards are maintained.

- In line with the principle of being a good corporate tax citizen, the Mercedes-Benz Group undertakes legal, proactive and non-aggressive tax planning activities on the basis of economic considerations ("tax follows business"). The Mercedes-Benz Group is also endeavouring to make its collaboration with the tax authorities even more cooperative, transparent and constructive. At the same time, it safeguards its legal positions and represents its interests where it deems this appropriate and legitimate.

The Group's tax strategy defined by the Board of Management of Mercedes-Benz Group AG sets out the framework for action and is specified and implemented through organisational and content-related policies, specifications and instructions. The tax strategy is regularly checked for the need for adjustment.

The tax policies regulate the responsibilities, tasks and duties of the Group's personnel entrusted with tax affairs. In addition, they provide specific implementation guidelines for legal compliance and thus raise employees' awareness of tax-related issues. Management is informed via monthly reports, rolling regular communications and as and when required regarding relevant tax topics, and is involved in compliance processes:

- regular meetings between CFO and Head of Tax Affairs

- regular information to the Supervisory Board covering risks and opportunities as well as current regulatory issues

According to the Integrity Code, intentional violations of external and/or internal tax requirements must be reported and investigated. The same applies to any failure to make corrections to procedures performed in an erroneous manner, as outlined in the Group's internally applicable rule violation policy.

↗ Compliance management – The Whistleblower System BPO

With the aim of ensuring tax compliance throughout the Group, Mercedes-Benz Group has established a Tax Compliance Management System (Tax CMS). The Tax CMS is a separate sub-unit of the Group's internal Compliance Management System.

An integral part of the Tax CMS is active tax risk management that is consistent throughout the Group. It has the task of monitoring and controlling whether tax obligations are met and supporting those responsible in this regard. Furthermore, it serves to identify and reduce tax risks in the Group and any associated personal risks of the active employees. The system includes numerous measures – for example, continuous monitoring of tax risks and the incorporation of tax risk issues into the internal control system and the Group-wide risk management process in line with its risk management policy. In the 2023 reporting year, no material breaches became known.

↗ Compliance management

EU Taxonomy

One of the important goals of the Commission Action Plan on Financing Sustainable Growth in the context of the European Green Deal is to divert capital flows to sustainable investments. This is also the logic behind the EU Taxonomy Regulation (EU 2020/852) that came into force in mid-2020. This regulation governs the establishment of a standardized and legally binding classification system that defines the types of economic activity in the EU that are considered to be Taxonomy-aligned - and thus environmentally sustainable with regard to six environmental objectives established by the regulation:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

Companies that are required to publish a Non-Financial Declaration must also comply with the Taxonomy Regulation. According to Article 8 of the Taxonomy Regulation, the Taxonomy-aligned proportions of revenue, capital expenditure and operating expenditure accounted for by environmentally sustainable economic activities are to be reported on an annual basis.

Taxonomy-eligibility

Taxonomy-eligibility is assessed in an initial step. For an economic activity to be Taxonomy-eligible, that activity must be mentioned and explained in further detail in the delegated acts for the Taxonomy Regulation. The EU delegated acts (Commission Delegated Regulation (EU) 2021/2139 and its supplement, Commission Delegated Regulation (EU) 2023/2485), which was adopted by the European Commission in June 2023, contain descriptions of relevant economic activities and technical screening criteria for the environmental objectives climate change mitigation and climate change adaptation. The supplement to the delegated regulation includes new technical screening criteria that refer to both the existing economic activities and to new economic activities. Furthermore, a new EU delegated act (Commission Delegated Regulation (EU) 2023/2486) containing economic activities and technical screening criteria relevant for the remaining environmental objectives, was published in 2023.

The economic activities relevant to the Mercedes-Benz Group in this context are to be found under the environmental objectives climate change mitigation, climate change adaptation and transition to a circular economy.

On the basis of the descriptions contained in the delegated acts relating to **climate change mitigation**, the following Taxonomy-eligible economic activities have been identified for the Group:

- Economic activity 3.3 encompasses manufacture of low-carbon technologies for transport in connection with the production of cars and vans

- Economic activity 6.5 encompasses leasing and financing of low-carbon cars and vans

- Economic activity 6.6 encompasses leasing and financing of low-carbon commercial vehicles

- Economic activity 6.15 encompasses infrastructure enabling low-carbon road transport and public transport (charging infrastructure)

In a Commission Notice (2022/C 385/01) published by the European Commission on 6 October 2022, the Commission stated that the term “low-carbon” only relates to the assessment of Taxonomy-alignment within the framework of the technical screening criteria and is not relevant for reporting on the Taxonomy-eligible economic activity 3.3. With regard to car manufacturer in particular and as an example, the document shows that the activity “manufacture of low-carbon vehicles” also includes vehicles with combustion engines. For the Mercedes-Benz Group, this clarification by the European Commission means that the manufacture of all Group vehicles is to be classified as Taxonomy-eligible.

Economic activity 6.5 relates to leasing and sales financing of all cars and vans purchased from third parties.

Economic activity 6.6 essentially covers the remaining commercial vehicle portfolio of Mercedes-Benz Mobility after the spin-off and hive-down of the Daimler commercial vehicle business (see Note 3 of the Notes to the Consolidated Financial Statements).

Economic activity 6.15 relates to the establishment and operation of company-owned charging infrastructure by means of high-power charging stations, which are a prerequisite for zero tailpipe CO_2 operation of zero-emissions road transport.

The economic activities in specific energy sectors contained in the supplement to the delegated act relating to the climate goals are only present to an immaterial extent at the Mercedes-Benz Group and are performed exclusively in support of carrying out economic activity 3.3.

The economic activities contained in the delegated acts relating to climate change adaptation are only present to an immaterial extent at the Mercedes-Benz Group and are reported exclusively under the environmental objective climate change mitigation.

The Taxonomy-eligible economic activity 5.4 that encompasses the sale of second-hand goods, which are purchased by the Mercedes-Benz Group from third parties, was identified on the basis of the descriptions in the delegated act relating to the **transition to a circular economy**. For the 2023 reporting year, simplified reporting obligations apply for economic activities newly introduced by the delegated acts. These stipulate that only reporting in relation to Taxonomy-eligibility is required. The Mercedes-Benz Group reports economic activity 5.4 as Taxonomy-eligible but not environmentally sustainable. An assessment of Taxonomy-alignment has not been carried out.

The individual economic activities are additionally to be classified according to enabling activities and transitional activities. An enabling activity is an economic activity that makes a substantial contribution to one or more environmental objectives by directly enabling further activities to also make a substantial contribution. At the Mercedes-Benz Group this mostly applies to the economic activities 3.3 and 6.15. A transitional activity, in contrast, is an economic activity for which there is no technological and economically feasible low-carbon alternative but which makes a substantial contribution to climate change mitigation by supporting the transition to a climate-neutral economy.

Taxonomy-alignment

In a further step, Taxonomy-alignment must be assessed for Taxonomy-eligible economic activities. Only Taxonomy-eligible activities can be considered as environmentally sustainable activities, or as being Taxonomy-aligned, provided they meet certain technical screening criteria. Here, the fulfilment of certain technical screening criteria with regard to the relevant economic activities must make a substantial contribution to an environmental objective defined by the Taxonomy Regulation and, on the basis of defined “do no significant harm” criteria (DNSH criteria), also exclude the possibility of significant interference with another environmental objective. It must also be ensured that minimum standards are met with regard to issues such as upholding human rights or combating corruption (minimum safeguards).

Fulfilment of a substantial contribution to the environmental objective climate change mitigation
According to the delegated act, all vehicles below the current limit value of 50g CO_2/km per vehicle (in accordance with the WLTP) as defined in the technical screening criteria make a substantial contribution to the climate change mitigation environmental objective. At Mercedes-Benz Group all-electric vehicles as well as the majority of plug-in hybrid vehicles are below this threshold. These vehicles are hereafter referred to as “low-carbon vehicles”.

Furthermore, according to the delegated act, high-power charging stations that are intended for the operation of vehicles with zero tailpipe CO_2 emissions make a substantial contribution to the environmental objective climate change mitigation.

Exclusion of the possibility of significant interference on the basis of the "do no significant harm" criteria

In a second step, compliance with the DNSH criteria for the further environmental objectives for the respective economic activities was analysed on the basis of the defined criteria in the reporting year.

With regard to economic activity 3.3, the fulfilment of these criteria was basically assessed at the level of those consolidated production sites where low-carbon vehicles or associated components are currently being manufactured or plans call for them to be manufactured in the future.

With regard to economic activity 6.5, the analysis of the criteria is to be performed on the basis of the low-carbon vehicles in the leasing and financing portfolio. In addition to Group-brand vehicles, the vehicle portfolio also includes vehicles from other manufacturers. The latter are reported as Taxonomy-eligible but not Taxonomy-aligned, as it is not currently possible to carry out an adequate DNSH analysis due to the current data availability.

With regard to economic activity 6.15, the fulfilment of the DNSH criteria was reviewed at the level of the operational high-power charging stations.

Climate change adaptation

With regard to economic activity 3.3, the EU Taxonomy requires a climate risk analysis to be carried out. In accordance with the DNSH requirements, this analysis was carried out for taxonomy-relevant production sites in connection with economic activity 3.3, in order to assess potential physical climate-related risk factors on the basis of material climate risks in line with Appendix A (Annex I) of the delegated act of the EU (Delegated Regulation (EU) 2021/2139). The analysis took into account climate scenarios from the Intergovernmental Panel on Climate Change (IPCC) and different time horizons, including 2040. Adaptation measures were analysed on the basis of the results.

In addition, the verificiation of the DNSH criteria for economic activity 6.5 is essentially based on the consideration of use and environmental conditions, such as heat and cold requirements in the context of vehicle development and testing.

With regard to economic activity 6.15, potential climate risks according to Appendix A (Annex I) of the delegated act of the EU (Delegated Regulation (EU) 2021/2139) were assessed by relevance for the implementation of the economic activity and manufacturer's specifications for the charging stations were taken into account.

Sustainable use and protection of water and marine resources

With regard to economic activity 3.3, fulfilment of the DNSH criteria according to the Taxonomy Regulation is intended to be ensured mainly on the basis of established environmental management systems and the internal environmental risk assessment (environmental due diligence process). The company has established environmental management systems at its own production sites around the world in accordance with ISO 14001. In addition, all German and the two European manufacturing locations in Kecskemet (Hungary) and Vitoria (Spain) have also been validated in accordance with EMAS. As part of the internal environmental risk assessment, consolidated production sites are evaluated according to a number of factors, including those relating to water quality, in a five-year cycle. Recommendations for minimizing risks are then drawn up, prioritized and tracked. The Group also uses external data sources to identify sites that harbour potential risks relating to water scarcity.

With regard to economic activity 6.15, the analysis shall assess that the use of the charging infrastructure does not give rise to any significant risk to the water quality and the water scarcity corresponding to the DNSH criteria.

Transition to a circular economy
With regard to economic activity 3.3, the EU Taxonomy Regulation requires an assessment and, if possible, the application of measures that promote the transition to a circular economy, including the use of secondary materials, high durability of products and waste management in production. When developing products, the Mercedes-Benz Group considers the concept of circular economy from the very start and has set itself the overarching goal of increasing its use of secondary materials in vehicles. In addition, the DNSH criteria for economic activity 6.5 are taken into account through the implementation of the legal requirements on recyclability and reusability for passenger car models and light commercial vehicles.

The Mercedes-Benz Group is intensifying its efforts to use lower volumes of raw materials and other materials in its production operations. In accordance with the waste hierarchy, the company's primary goal is to avoid waste. For its own production sites worldwide, the Mercedes-Benz Group has set reduction targets for factors such as total waste volume and waste volume for disposal per vehicle. Waste management is also a component of the Group's internal environmental risk assessment.

For economic activity 6.15, the applicable DNSH criteria were analysed and checked for adherence. This includes the verification of the recycling or disposal of waste generated during construction and demolition.

Pollution prevention and control
With regard to the DNSH criteria, for economic activity 3.3 under Appendix C (Annex I) of the delegated act of the EU (Delegated Regulation (EU) 2021/2139), the Taxonomy Regulation refers to the concept of avoiding the manufacturing, placing on the market or use of restricted and reportable substances subject to current European legislation on chemicals. The implementation of internal processes for specification, approval and control is intended to ensure compliance with European regulations (according to Appendix C) and respective national legislations. The Global Automotive Declarable Substance List (GADSL) forms the basis for the prohibition and declaration requirement of substances in Mercedes-Benz products. The Mercedes-Benz Group also defines specifications for substitution analyses, and thus for the use of less critical hazardous substances.

With regard to economic activity 6.5, the DNSH criteria refer to compliance with various product-related European regulations and directives. As a result, all-electric vehicles are currently considered in the Taxonomy-aligned scopes of economic activity 6.5.

In due consideration of the applicable legislation and of a Notice (C/2023/267) published by the EU Commission on 20 October 2023, only tyres corresponding to the two highest classes for rolling resistance coefficients available on the market and at the same time the highest class for external rolling noise available on the market fulfil DNSH requirements for the respective vehicles. For the assessment of the respective classes available on the market, the data of the European Product Database for Energy Labelling (EPREL) shall be used. The time of market placement of the vehicles in the leasing and financing portfolio was used for the analysis, and a percentage share of the vehicles with the respective highest tyre classes according to EPREL was determined on the basis of a representative time period. This proportion is applied to the leasing and financing portfolio of all-electric vehicles worldwide wherever the corresponding data is available.

For economic activity 6.15, the applicable requirements from the Taxonomy Regulation on noise, vibration, dust and pollutants must be complied with.

Protection and restoration of biodiversity and ecosystems
To demonstrate the requirements for economic activity 3.3, ecologically sensitive or protected areas in the neighbourhood of sites are documented and taken into account as part of the internal environmental risk assessment (environmental due diligence process). Furthermore, environmental impact assessments or comparable audits outside the EU are carried out in the context of a new site or the extension of an existing site, if legally required. In addition, the Group has established environmental management systems in accordance with ISO 14001 at its production sites.

During the reporting year, an environmental impact assessment was not required for the charging infrastructure (economic activity 6.15) that was put into operation. Furthermore, the locally applicable

requirements in the construction and approval process according to the DNSH requirements were taken as a basis.

The analysis of the DNSH requirements for economic activities 3.3 and 6.15 forms the basis for considering the taxonomy-compliant shares. With regard to economic activity 6.5, the reductions due to the DNSH requirements of the environmental objective pollution prevention and control were taken into account in the Taxonomy-alignment of revenues and investments.

Fulfilment of minimum safeguards
An economic activity can only be classified as environmentally sustainable within the meaning of the Taxonomy if it is also conducted in accordance with certain minimum standards that are based on international frameworks. Here, Article 18 of the Taxonomy Regulation references the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights (including the basic principles and rights from the eight core conventions defined in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work), and the International Bill of Human Rights. The Taxonomy Regulation itself does not further specify the standards.

The report published by the Platform on Sustainable Finance in October 2022 (Final Report on Minimum Safeguards) assists companies with the interpretation of the scope and application of the minimum standards. This report forms the foundation for the application of minimum standards and the associated reporting at the Mercedes-Benz Group. Key issue areas here are human rights and labour rights (see the chapters Social compliance and Occupational health and safety), the prevention of corruption and the promotion of fair competition (see the chapters Compliance management system, Combating corruption and Promoting fair competition), and responsible tax practices (see the chapter Tax obligation). The verification of compliance here basically involves demonstrating compliance with the existence of corresponding due diligence processes at the Group level and the fact that no judicial rulings relating to serious violations in the aforementioned areas have been made in the final instance.

Reporting on the Taxonomy-aligned proportions of environmentally sustainable economic activities

The sections below present information on the proportion of revenue, capital expenditure and operating expenditure accounted for by environmentally sustainable economic activities at the Mercedes-Benz Group.

The individual figures for revenue, capital expenditure and operating expenditure are precisely allocated to a specific economic activity and environmental objective.

The calculations for the key figures are based on the Consolidated Financial Statements in accordance with IFRS. The provision of comparative information, except where concerning the economic activities newly introduced by the delegated acts supplementing the Taxonomy Regulation, was legally required in the reporting year.

Revenue

Economic activities	Code[1]	2023 Revenue[2]	2023 Proportion of revenue[2]	Criteria for a substantial contribution: Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	DNSH criteria ("do no significant harm")[5]	Minimum safeguards	2022 Proportion of Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) revenue	Category: enabling activity	Category: transitional activity
		in millions of euros	in %	Y; N; N/EL[3]	Y; N; N/EL[3]	Y; N; N/EL[3]	Y; N; N/EL[3]	Y; N; N/EL[3]	Y; N; N/EL[3]	Y/N	Y/N	in %	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES														
A.1 Environmentally sustainable activities (Taxonomy-aligned)														
Manufacture of low-carbon technologies for transport	CCM 3.3	20,704	14%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	10%	E	
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	319	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	0%		
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	.	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	-	E	
Revenue from environmentally sustainable activities (Taxonomy-aligned) (A.1)		**21,023**	**14%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	Y	Y	**10%**		
of which enabling activity		20,704	14%	100%	0%	0%	0%	0%	0%	Y	Y	10%	E	
of which transitional activity		0	0%	0%								0%		T
A.2 Taxonomy-eligible activities that are not environmentally sustainable (not Taxonomy-aligned activities)														
				EL; N/EL[4]	EL; N/EL[4]	EL; N/EL[4]	EL; N/EL[4]	EL; N/EL[4]	EL; N/EL[4]					
Manufacture of low-carbon technologies for transport	CCM 3.3	107,045	70%	EL	N/EL	N/EL	N/EL	N/EL	N/EL			72%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	21,561	14%	EL	N/EL	N/EL	N/EL	N/EL	N/EL			15%		
Freight transport services by road	CCM 6.6	1,683	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL			1%		
Sale of second-hand goods	CE 5.4	448	0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL			-		
Revenue from Taxonomy-eligible activities that are not environmentally sustainable (not Taxonomy-aligned) (A.2)		**130,737**	**85%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**			**88%**		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		**151,760**	**99%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**			**98%**		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES														
Revenue of Taxonomy non-eligible activities		**1,458**	**1%**									**2%**		
Total (A + B)		**153,218**	**100%**									**100%**		

1 The Code constitutes the abbreviation of the relevant environmental objective to which the economic activity is eligible to make a substantial contribution. Climate change mitigation: CCM, climate change adaptation: CCA, water and marine resources: WTR, circular economy: CE, pollution prevention and control: PPC, biodiversity and ecosystems: BIO.

2 The key figures were audited in order to obtain "limited assurance".
An exception to this is the total (total A + B), which was audited with reasonable assurance as a Group key figure.

3 Description: Y — Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective, N — No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective, N/EL — Not eligible, Taxonomy non-eligible activity for the relevant environmental objective.

4 Description: EL — Eligible, Taxonomy-eligible activity for the relevant objective, N/EL — Not eligible, Taxonomy non-eligible activity for the relevant environmental objective.

5 A breakdown of the DNSH criteria has not been provided here, as activities may only be designated as Taxonomy-aligned when any significant effect on the other environmental objectives has been ruled out.

The following table shows the scope of the Taxonomy-eligibility and the Taxonomy-alignment for the revenue by environmental objective:

Revenue proportion/total revenue[6]

	Taxonomy-alignment per objective	Taxonomy-eligibility per objective
Climate change mitigation (CCM)	14%	85%
Climate change adaptation (CCA)	0%	0%
Water and marine resources (WTR)	0%	0%
Circular economy (CE)	0%	0%
Pollution prevention and control (PPC)	0%	0%
Biodiversity and ecosystems (BIO)	0%	0%

Taxonomy-eligibility of revenue

For the share of Taxonomy-eligible revenue (under A. in the table Revenue), the Taxonomy-eligible revenue is considered in relation to the total revenue of the Group. In this process, the denominator takes into account the consolidated revenue generated by Group companies that are to be included in the calculations. The revenue, as disclosed in the consolidated statement of income, amounted to €153,218 million in the reporting year (2022: €150,017 million) (see Note 5 in the Notes to the Consolidated Financial Statements).

The numerator was calculated by examining this revenue to determine how much of it was generated in connection with the manufacturing, the leasing or the financing of vehicles; the operation of high-power charging stations; or the sale of second hand-goods which were purchased from third parties by the Mercedes-Benz Group. This applies to almost all of the revenue generated by the Mercedes-Benz Group. In the previous year, the revenues from the sale of second-hand goods, which Mercedes-Benz Group purchased from third parties, were assigned to the revenue from Taxonomy non-eligible activities. Since the reporting year, this revenue has been assigned to the economic activity 5.4.

Taxonomy-alignment of revenue

In order to calculate the Taxonomy-aligned proportion of economic activities (under A.1 in the table Revenue), revenues were examined to determine whether they were generated with low-carbon vehicles in order to assess whether a substantial contribution had been made to climate change mitigation. Compliance with the DNSH criteria was also monitored.

For the major proportion of the revenue, in particular from the new and used vehicle business and leasing and sales financing activities, a direct attribution was made of the revenue accounted for by low-carbon vehicles. With regard to other revenue components, especially revenue from the spare parts business and service and maintenance contracts, or attribution of discounts granted for large procurement volumes, it is not possible to directly assign revenue to low-carbon vehicles. In these cases, suitable allocations were therefore used for the various revenue components. These classifications are based on current or historical vehicle sales data for the fleet that is currently on the market and data on production volumes. In the reporting year, the share of Taxonomy-aligned revenue increased to 14%[6]. The main reasons for this were an increase in unit sales of all-electric vehicles and the expansion of the product portfolio for low-carbon vehicles.

The revenues shown below are included as an aggregation across the various economic activities.

Revenue

	2023			2022		
	Taxonomy-aligned revenue[6]	Total revenue	Proportion of Taxonomy-aligned revenue[6]	Taxonomy-aligned revenue[6]	Total revenue	Proportion of Taxonomy-aligned revenue[6]
	in millions of euros	in millions of euros	in %	in millions of euros	in millions of euros	in %
Revenue according to IFRS 15	20,223	136,987	15%	14,419	136,008	11%
Other revenue	800	16,231	5%	575	14,009	4%
Total	**21,023**	**153,218**	**14%**	**14,994**	**150,017**	**10%**

6 The key figures were audited in order to obtain “limited assurance”.

Capital expenditure

Economic activities	Code[1]	2023 Capital expenditure[2]	2023 Proportion of capital expenditure[2]	Criteria for a substantial contribution: Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	DNSH criteria ("do no significant harm")[5]	Minimum safeguards	2022 Proportion of Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) Capital expenditure	Category: enabling activity	Category: transitional activity
		in millions of euros	in %	Y; N; N/EL[3]	Y; N; N/EL[3]	Y; N; N/EL[3]	Y; N; N/EL[3]	Y; N; N/EL[3]	Y; N; N/EL[3]	Y/N	Y/N	in %	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES														
A.1 Environmentally sustainable activities (Taxonomy-aligned)														
Manufacture of low-carbon technologies for transport	CCM 3.3	4,605	21%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	20%	E	
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	585	3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	2%		
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	30	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	–	E	
Capital expenditure of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**5,220**	**24%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	Y	Y	**22%**		
of which enabling activity		4,635	22%	100%	0%	0%	0%	0%	0%	Y	Y	20%	E	
of which transitional activity		0	0%	0%								0%		T
A.2 Taxonomy-eligible activities that are not environmentally sustainable (not Taxonomy-aligned activities)														
				EL; N/EL[4]	EL; N/EL[4]	EL; N/EL[4]	EL; N/EL[4]	EL; N/EL[4]	EL; N/EL[4]					
Manufacture of low-carbon technologies for transport	CCM 3.3	4,065	19%	EL	EL	N/EL	N/EL	N/EL	N/EL			22%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	12,186	57%	EL	N/EL	N/EL	N/EL	N/EL	N/EL			56%		
Capital expenditure of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**16,251**	**76%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**			**78%**		
A. Capital expenditure of Taxonomy-eligible activities (A.1 + A.2)		**21,471**	**100%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**			**100%**		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES														
Capital expenditure of Taxonomy non-eligible activities		**0**	**0%**									**0%**		
Total (A + B)		**21,471**	**100%**									**100%**		

1 The Code constitutes the abbreviation of the relevant environmental objective to which the economic activity is eligible to make a substantial contribution. Climate change mitigation: CCM, climate change adaptation: CCA, water and marine resources: WTR, circular economy: CE, pollution prevention and control: PPC, biodiversity and ecosystems: BIO.

2 The key figures were audited in order to obtain "limited assurance".
An exception to this is the total (total A + B), which was audited with reasonable assurance as a Group key figure.

3 Description: Y — Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective, N — No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective, N/EL — Not eligible, Taxonomy non-eligible activity for the relevant environmental objective.

4 Description: EL — Eligible, Taxonomy-eligible activity for the relevant objective, N/EL — Not eligible, Taxonomy non-eligible activity for the relevant environmental objective.

5 A breakdown of the DNSH criteria has not been provided here, as activities may only be designated as Taxonomy-aligned when any significant effect on the other environmental objectives has been ruled out.

The following table shows the scope of the Taxonomy-eligibility and the Taxonomy-alignment for the capital expenditure by environmental objective:

Proportion of capital expenditure/total capital expenditure[1]

	Taxonomy-alignment per objective	Taxonomy-eligibility per objective
Climate change mitigation (CCM)	24%	76%
Climate change adaptation (CCA)	0%	0%
Water and marine resources (WTR)	0%	0%
Circular economy (CE)	0%	0%
Pollution prevention and control (PPC)	0%	0%
Biodiversity and ecosystems (BIO)	0%	0%

1 The key figures were audited in order to obtain "limited assurance".

Taxonomy-eligibility of capital expenditure

For the share of Taxonomy-eligible capital expenditure (under A. in the table Capital expenditure), the Taxonomy-eligible capital expenditure is considered in relation to the total relevant capital expenditure of the Group.

All additions to intangible assets, property, plant and equipment and right-of-use assets as defined in IFRS 16 in accordance with the statements of changes in non-current assets as well as additions to equipment on operating leases, including the additions to the named assets as part of company acquisitions are taken into account in the denominator. Equipment on operating leases only takes into account vehicles acquired by dealers from outside the Group. Goodwill acquired is not taken into account here. If a divestment is planned, capital expenditure on non-current assets is only taken into account until the point in time at which they were first classified as held for sale in accordance with IFRS 5. The relevant additions to the assets to be taken into account amounted to €21,471 million in the reporting year (2022: €18,369 million) (see Notes 11, 12 and 13 in the notes to the consolidated financial statements). Additions that result from a purchase in the context of
a company acquisition are of secondary importance in the reporting year.

According to the Commission Notice (2022/C 385/01) that the European Commission published on 6 October 2022, the definition of an economic activity is characterized by the achievement of an output. In line with the Mercedes-Benz Group's business model, the numerator was therefore determined by examining whether capital expenditure is made in connection with the manufacturing of vehicles, the establishment of the charging infrastructure or the implementation of transport solutions for people and goods. This applies to nearly all of our investments.

Taxonomy-alignment of capital expenditure

To calculate the Taxonomy-aligned proportion of economic activities (under A.1 in the table Capital expenditure), capital expenditure was examined to determine the extent to which it was associated with low-carbon vehicles (economic activities 3.3 and 6.5) and with high-power charging stations (economic activity 6.15) in order to assess whether a substantial contribution had been made to climate change mitigation. Table Capital expenditure (p. 121) shows the Taxonomy-aligned capital expenditure, aggregated across all economic activities. Compliance with the DNSH criteria was also monitored.

The size of the share of Taxonomy-aligned expenditure of total capital expenditure is mainly due to the disproportionately low share of Taxonomy-aligned vehicles in the additions to the equipment on operating leases. As a result, this share only partially reflects our investments in sustainable products for the future.

When looking at Taxonomy-aligned investments in intangible assets (mainly in capitalized development costs) and property, plant and equipment of the Mercedes-Benz Group shows much higher shares of Taxonomy-aligned capital expenditure (table Capital expenditure).

All of the capital expenditure of the Mercedes-Benz Group during the reporting year included in the numerator of the economic activities 3.3 and 6.5 relates to assets or processes in the context of already existing technologies which are connected to already existing Taxonomy-aligned economic activities 3.3 and 6.5. For most of the capital expenditure relating to the industrial business, a direct attribution was made to all-electric vehicle projects. In the case of capital expenditure in low-carbon plug-in hybrids and assets that are used to produce both vehicles with combustion engines and low-carbon vehicles, suitable allocations based on planned vehicle sales figures for the respective model series or vehicle platforms were used. Capital expenditure that is not directly related to the manufacturing

process was allocated on the basis of the planned unit sales figures for low-carbon vehicles. With regard to financial services, it is possible to match the additions to equipment on operating leases directly to low-carbon vehicles. At 24%[7], the percentage of Taxonomy-aligned capital expenditure was at the prior-year level. There was a sharp addition to capitalized development costs, the effect of which was offset by the higher total capital expenditure compared to the previous year.

CapEx plan for economic activity 6.15

A capital expenditure (CapEx) plan that has been adopted by management must exist for capital expenditure that leads to an expansion of Taxonomy-aligned economic activities or enables the conversion of Taxonomy-eligible economic activities into Taxonomy-aligned economic activities. At the Mercedes-Benz Group this affects capital expenditure for economic activity 6.15 Infrastructure enabling low-carbon road transport and public transport (charging infrastructure) that is expected to fall under the environmental objective climate change mitigation.

The Board of Management of Mercedes-Benz Group AG has adopted the planned capital expenditure for the construction of Mercedes-Benz own high-power charging stations as part of the corporate planning covering the period 2024 to 2028. The CapEx plan contains total capital expenditure in the amount of around €1.4 billion (whereof €30 million are accounted for in the reporting year).

Capital expenditure

	2023			2022		
	Taxonomy-aligned capital expenditure[1]	Total capital expenditure	Proportion of Taxonomy-aligned capital expenditure[1]	Taxonomy-aligned capital expenditure[1]	Total capital expenditure	Proportion of Taxonomy-aligned capital expenditure[1]
	in millions of euros	in millions of euros	in %	in millions of euros	in millions of euros	in %
Intangible assets	2,764	4,513	61%	1,874	3,480	54%
Property, plant and equipment	1,768	3,718	48%	1,507	3,421	44%
Right-of-use assets	130	469	28%	391	923	42%
Equipment on operating leases	558	12,771	4%	285	10,545	3%
Total	**5,220**	**21,471**	**24%**	**4,057**	**18,369**	**22%**

1 The key figures were audited in order to obtain “limited assurance”.

7 The key figures were audited in order to obtain “limited assurance”.

Operating expenditure

Economic activities	Code[1]	2023 Operating expenditure[2] in millions of euros	2023 Proportion of operating expenditure[2] in %	Criteria for a substantial contribution: Climate change mitigation Y; N; N/EL[3]	Climate change adaptation Y; N; N/EL[3]	Water Y; N; N/EL[3]	Circular economy Y; N; N/EL[3]	Pollution Y; N; N/EL[3]	Biodiversity Y; N; N/EL[3]	DNSH criteria ("do no significant harm")[5] Y/N	Minimum safeguards Y/N	2022 Proportion of Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) operating expenditure in %	Category: enabling activity E	Category: transitional activity T
A. TAXONOMY-ELIGIBLE ACTIVITIES														
A.1 Environmentally sustainable activities (Taxonomy-aligned)														
Manufacture of low-carbon technologies for transport	CCM 3.3	2,336	32%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	35%	E	
Operating expenditure of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**2,336**	**32%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**35%**		
of which enabling activity		2,336	32%	100%	0%	0%	0%	0%	0%	Y	Y	35%	E	
of which transitional activity		0	0%	0%								0%		T
A.2 Taxonomy-eligible activities that are not environmentally sustainable (not Taxonomy-aligned activities)														
				EL; N/EL[4]	EL; N/EL[4]	EL; N/EL[4]	EL; N/EL[4]	EL; N/EL[4]	EL; N/EL[4]					
Manufacture of low-carbon technologies for transport	CCM 3.3	4,970	68%	EL	N/EL	N/EL	N/EL	N/EL	N/EL			65%		
Operating expenditure of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**4,970**	**68%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**			**65%**		
A. Operating expenditure of Taxonomy-eligible activities (A.1 + A.2)		**7,306**	**100%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**			**100%**		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES														
Operating expenditure of Taxonomy non-eligible activities		0	0%									**0%**		
Total (A + B)		**7,306**	**100%**									**100%**		

1 The Code constitutes the abbreviation of the relevant environmental objective to which the economic activity is eligible to make a substantial contribution. Climate change mitigation: CCM, climate change adaptation: CCA, water and marine resources: WTR, circular economy: CE, pollution prevention and control: PPC, biodiversity and ecosystems: BIO.

2 The key figures were audited in order to obtain "limited assurance".

3 Description: Y — Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective, N — No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective, N/EL — Not eligible, Taxonomy non-eligible activity for the relevant environmental objective.

4 Description: EL — Eligible, Taxonomy-eligible activity for the relevant objective; N/EL — Not eligible, Taxonomy non-eligible activity for the relevant environmental objective.

5 A breakdown of the DNSH criteria has not been provided here, as activities may only be designated as Taxonomy-aligned when any significant effect on the other environmental objectives has been ruled out.

The following table shows the scope of the Taxonomy-eligibility and the Taxonomy-alignment for the operating expenditure by environmental objective:

Share of operating expenditure/total operating expenditure[1]

	Taxonomy-alignment per objective	Taxonomy-eligibility per objective
Climate change mitigation (CCM)	32%	68%
Climate change adaptation (CCA)	0%	0%
Water and marine resources (WTR)	0%	0%
Circular economy (CE)	0%	0%
Pollution prevention and control (PPC)	0%	0%
Biodiversity and ecosystems (BIO)	0%	0%

1 The key figures were audited in order to obtain "limited assurance".

Taxonomy-eligibility of operating expenditure

For the share of Taxonomy-eligible operating expenditure (under A. in the table Operating expenditure), the Taxonomy-eligible operating expenditure is considered in relation to the relevant operating expenditure of the Group.

The operating expenditures to be taken into account in the denominator correspond to a figure that was exclusively calculated within the framework of taxonomy reporting, as they are elements of the individual functional costs. These operating expenditures include non-capitalized research and development costs and costs arising from short-term leasing agreements. In addition, according to the delegated act relating to Article 8 of the Taxonomy Regulation, expenditure from building renovation measures and certain maintenance and repair expenses (basically labour and material costs as well as purchased services) relating to property, plant and equipment are included. These components of the relevant operating expenditures were collected exclusively from the manufacturing companies on the basis of materiality considerations.

In a manner similar to the approach taken for capital expenditure, the relevant operating expenditures were also examined here for the determination of the numerator on the basis of the materiality considerations mentioned above to determine whether they are related to the manufacture of vehicles. This applies to the operating expenditure described.

Taxonomy-alignment of operating expenditure

In order to calculate the Taxonomy-aligned proportion of economic activities (under A.1 in the table Operating expenditure), operating expenditure was examined to determine the extent to which it was associated with low-carbon vehicles in order to assess whether a substantial contribution had been made to climate change mitigation. Compliance with the DNSH criteria was also monitored.

The operating expenditure shown below is included as an aggregation across the various economic activities:

Operating expenditure

	2023			2022		
	Taxonomy-aligned operating expenditure[1]	Total operating expenditure	Proportion of Taxonomy-aligned operating expenditure[1]	Taxonomy-aligned operating expenditure[1]	Total operating expenditure	Proportion of Taxonomy-aligned operating expenditure[1]
	in millions of euros	in millions of euros	in %	in millions of euros	in millions of euros	in %
Non-capitalized research and development costs	2,089	6,230	34%	2,149	5,602	38%
Other operating expenditure	247	1,076	23%	191	1,062	18%
Total	**2,336**	**7,306**	**32%**	**2,340**	**6,664**	**35%**

1 The key figures were audited in order to obtain "limited assurance".

The non-capitalized research and development costs can mostly be directly incorporated into the calculation of the numerator on the basis of their allocation to all-electric vehicle projects. Appropriate allocations based on anticipated future unit sales figures of the low-carbon share of the model series or the vehicle platform were used for research and development costs that cannot be directly allocated (model series or vehicle platforms that include plug-in hybrids as well as purely combustion engine vehicles). It was also not possible to directly match the other components of relevant operating expenditure to low-carbon vehicles. The inclusion in the numerator was based on suitable allocations of current production volumes. The share of Taxonomy-aligned operating expenditure was 32%[8] in the reporting year. The reason for the lower proportion of Taxonomy-aligned operating expenditure is essentially the decrease in non-capitalized research and development costs attributable to low-carbon vehicles with a simultaneous increase in the total non-capitalized research and development costs.

8 The key figures were audited in order to obtain limited assurance.

Integrity and compliance

Materiality and goals

GRI 3-3

Targets	Target horizon
With its integrity activities, the Mercedes-Benz Group pursues the following central goals: – Minimizing risks through knowledge of and compliance with the Integrity Code – Promoting ethical conduct — within the mandatory rules and frameworks and beyond – Employees and managers behave and act in an ethical and responsible manner – Defining integrity-related priorities and challenges and provide employees with guidance – Enhancing the culture of integrity in a targeted manner through feedback from integrity measurements	Ongoing
With its compliance activities, the Mercedes-Benz Group particularly pursues the following central goals: – Respect and uphold human rights – Comply with anti-corruption regulations – Preserve and promote fair competition – Ensure compliance with product requirements – Comply with data protection laws and strengthening customer trust by handling data responsibly – Comply with all applicable embargoes and sanctions – Prevent money laundering and terrorist financing	Ongoing

The Mercedes-Benz Group is convinced that only those who act ethically and legally responsibly will remain successful in the long term – this is especially true in times of change and transformation. The Mercedes-Benz Group attaches great importance to integrity and compliance.

Integrity builds the foundation of the Mercedes-Benz Group's business activities. Within the Group, acting with integrity means doing the right thing. This includes complying with internal and external rules and aligning our own actions with the five corporate principles.

Integrity

Strategy and concepts

A corporate culture of integrity

The automobile industry is undergoing radical change. Business areas are constantly evolving, and innovative technologies are raising new questions – both ethical and legal.

The Mercedes-Benz Group's success is fuelled by a long-term commitment to integrity. Integrity is therefore a central element of corporate culture for the Mercedes-Benz Group and, as an enabler, it is also an integral part of the Group's sustainable business strategy. For the Group, this does not only mean complying with applicable laws and regulations; the Mercedes-Benz Group also conducts its activities on the basis of shared corporate principles – these particularly include fairness, diversity, responsibility, respect, openness and transparency.

Organisation and areas of responsibility

GRI 2-23/-24

At the Mercedes-Benz Group, integrity, compliance and legal affairs are combined into a single Board of Management directorate – Integrity, Governance & Sustainability. It supports all corporate units in their efforts to embed these topics in daily business.

“Integrity Management & Corporate Responsibility” directorate is part of this Board of Management divison. Among other things, it is committed to promoting and developing integrity at the Mercedes-Benz Group and creating a common understanding of integrity. The aim is to encourage the business units to firmly establish integrity in their daily business activities. The goal is to counteract possible risks that arise through unethical behaviour, and thus contribute to the long-term success of the Mercedes-Benz Group. The Head of Integrity Management & Corporate Responsibility reports directly to the Board of Management member for Integrity, Governance & Sustainability.

Integrity Code and corporate principles

GRI 2-23/-24

The Mercedes-Benz Group maintains an exchange of knowledge and open dialogue with its employees to ensure that integrity remains anchored in day-to-day business in the long term. It encourages and enables its employees to consistently stand up for the Group’s principles. The Group-wide Integrity Code provides appropriate guidance, as it serves as a common standard of values, defines the guidelines for conduct and helps them to make the right decisions.

The Integrity Code is binding on all employees of Mercedes-Benz Group AG and all the Group companies worldwide. It includes, among other things, regulations for preventing corruption, respecting human rights, handling data and complying with technical product requirements. The Integrity Code that was revised in 2022 was communicated to employees at the beginning of the reporting year; it is available on the social intranet in eleven languages with all important information on its use.

In the Integrity Code, the Mercedes-Benz Group also formulates specific requirements for its managers. In particular, it expects them to serve as role models by behaving with integrity.

The key element of the Integrity Code is represented by five corporate principles. They provide orientation and are to be actively applied by all employees:

1. The Mercedes-Benz Group is profitable and committed to people and the environment.
2. The Mercedes-Benz Group acts responsibly and respects the rules.
3. The Mercedes-Benz Group addresses issues openly and stands for transparency.
4. Fairness and respect provide the foundation of collaboration.
5. The Mercedes-Benz Group practices diversity.

Mercedes-Benz Corporate Audit regularly conducts audits in various Mercedes-Benz entities worldwide. Corporate Audit works in accordance with the professional standards and the code of ethics of the Institute of Internal Auditors (IIA). Accordingly, the audits of Corporate Audit also take integrity aspects into account.

Measures and results

Information, dialogue and training

GRI 2-26

The Mercedes-Benz Group launched the “Infopoint Integrity”, in order to promote a culture of integrity within the company. It serves as a central point of contact for all Group employees for questions relating to ethical behaviour. It either provides direct support or connects employees with the appropriate contact partners.

The Integrity Network, which is made up of representatives from the business units, aims to embed integrity in everyday business life and make it tangible for employees. The half-yearly member reports also provide insights into the integrity activities of the business units.

The Integrity Network implemented the package of measures of the “Integrity Experience”. This was based on individually combinable modules on various integrity topics provided by the Integrity Management Department – including “trust”, “speak-up” and “error culture”. With the help of these measures, employees were able to consciously reflect on their own actions in their day-to-day work.

In addition, the “Annual Integrity Meeting” was held in May 2023 with members of the Board of Management, members of the Integrity Network and an external expert. Under the motto “Integrity meets … TRANSFORMATION”, they discussed how integrity can be implemented in everyday professional life in times of change. For the first time, all employees worldwide had the opportunity to follow the event live and digitally in the reporting year.

In addition, there were various activities in November 2023 under the motto “Integrity meets … YOU”. The Integrity Network offered employees a multifaceted programme covering the core topics of the “Integrity Experience” both on site and online. The special focus here was on linking integrity with the daily challenges and tasks in everyday working life. This enabled the participants to benefit from the experiences of the network partners and integrate new ideas into their day-to-day work.

Employees in the administration of Mercedes-Benz Group AG and also employees in the consolidated Group companies regularly complete a mandatory web-based training on integrity, which is based on the Integrity Code. Managers act as role models and therefore have a special role to play in terms of compliance, integrity, law and sustainability. In order to help them as much as possible to carry out this role, the web-based training programme includes a special mandatory management module.

↗ Compliance management – Training programme Integrity and Compliance 2023 – web-based

Employee survey

The Mercedes-Benz Group works consistently on its understanding of integrity, develops it further on an ongoing basis and regularly reviews itself. In addition to the feedback from the Integrity Network, the employee survey is an important indicator in this respect.

The results of the “PULSE23” employee survey have shown that the perception of the culture of integrity at the Mercedes-Benz Group has continued to improve. A trusting environment in which managers are open to criticism and where non-integer behavior as well as mistakes can be addressed openly and constructively in the work environment forms the basis. The results of the survey are used in the follow-up process to derive measures and further strengthen the culture of integrity.

The survey results also have a direct influence on management remuneration.

All managers and employees can access the Integrity Toolkit on the social intranet. This Toolkit includes formats for possible follow-up activities based on the respective results of the employee survey.

The culture of integrity within the Mercedes-Benz Group is to be reassessed e.g. as part of the next employee survey.

Advisory Sub-Committee for Integrity and Sustainability

Another source of impulses for the sustainability activities of the Group is the Sub-Committee for Integrity and Sustainability. Its members are independent external specialists from science, civic society and business, among them experts in environmental and social policy, transport and mobility development, human rights and ethics. The sub-committee members give the Mercedes-Benz Group constructive and critical advice on matters of integrity, sustainability and corporate responsibility. Chaired by the Board of Management member for Integrity, Governance & Sustainability, the sub-committee meets several times each year. One of these meetings is particularly devoted to a dialogue with other members of the Board of Management and

members of the Supervisory Board. As part of the "Sustainability Dialogue" in Stuttgart (Germany), managers from the respective specialist departments hold working meetings with the sub-committee to discuss areas of action and enablers identified in the sustainable business strategy, goals, strategies, measures and results. In other dedicated meetings the sub-committee maintains a regular dialogue with managers and other employees. In 2023 the sub-committee concerned itself with topics such as human rights, data responsibility, responsible handling of artificial intelligence and further development of the sustainable business strategy.

Compliance management

Strategy and concepts

Value-based compliance management

GRI 2-25 GRI 3-3

Value-based compliance is an indispensable part of the Mercedes-Benz Group's daily business activities and is firmly anchored in the corporate culture. The Group is firmly committed to responsible business activities. It expects its employees to comply with laws, rules and voluntary commitments. The Mercedes-Benz Group stipulates this in its Integrity Code, which is binding.

With its own Compliance Management System (CMS), the Mercedes-Benz Group aims to promote compliance with laws and guidelines. Corresponding measures are defined by the compliance organisation, taking business requirements into appropriate account.

The Compliance Management System

GRI 2-25 GRI 3-3

The Compliance Management System (CMS) at Mercedes-Benz Group AG consists of basic principles and measures that promote compliant behaviour. It is based on national and international standards and is applied on a global scale in the Mercedes-Benz Group. The CMS consists of seven elements that build on one another: compliance values, compliance objectives, compliance organisation, compliance risks, compliance programme, training and monitoring and improvement.

The Mercedes-Benz Group monitors the processes and measures of the CMS annually and performs analyses to establish whether these measures are appropriate and effective. To this end, it draws on information from the Group companies and other locally collected information. It also monitors its processes using performance indicators. To determine this, the Mercedes-Benz Group checks, among other things, compliance with formal requirements and the completeness of the content. In doing so, the Group also takes into account the findings from internal audits as well as independent external audits.

↗ Compliance management – Compliance programme

Where necessary owing to new legal requirements or findings from risk analyses, the Mercedes-Benz Group adapts the CMS. The Group companies are required to implement the resulting improvement measures. In addition, the effectiveness of the measures is regularly reviewed, and the responsible management bodies are informed of the monitoring results.

Compliance organisation

GRI 3-3

The compliance organisation of the Mercedes-Benz Group is structured functionally, regionally and along the value chain. As a result, it can provide effective support – for example, by means of specifications and advice functional and regional contact persons are available for this purpose. In addition, a global network of local managers ensures that the Group's own compliance standards are adhered to. The contact persons support the management at the Group companies to implement the compliance programme at the local level.

The Compliance Board manages the overarching compliance issues and monitors whether the Group's related measures are effective. The Board's task is to react to changes in business models and the business environment at an early stage, to address regulatory developments and to continuously develop the CMS. The Compliance Board is made up of representatives from the Compliance, Integrity and Legal departments, meets regularly and on an ad hoc basis, and is chaired by the Chief Compliance Officer (CCO).

The CCO reports directly to the Board of Management member responsible for Integrity, Governance & Sustainability and to the Audit Committee of the Supervisory Board. It also regularly reports to the Board of Management and as required – including on the status of the CMS, its further development and the whistleblower system BPO, (the Business & People Protection Office). The CCO also holds the positions of Vice President Legal Product & Technology and Human Rights Officer.

↗ Compliance management – The Whistleblower System BPO

The CCO also reports to the Group Risk Management Committee. The organisation of the reporting channels ensures the independence of the compliance organisation from the divisions in the perception of the Mercedes-Benz Group.

Compliance risks

GRI 3-3 GRI 205-1

Every year, the Mercedes-Benz Group systematically evaluates its companies and central divisions in order to reduce compliance risks. For example, it accesses centrally available information on the companies – including sales revenue, business models and relationships with business partners. Other locally sourced information is used as necessary. The results of the compliance risk analysis form the basis of compliance risk management and are therefore also the basis for defining measures.

The management of the respective Group is primarily responsible for implementing the measures for all key compliance management topics with which the Mercedes-Benz Group addresses any risks. It also has the duty of supervision. Management works closely with the specialist areas of the Integrity, Governance & Sustainability directorate.

Main objectives for compliance management

The Group defines various focal points for its compliance activities. This includes combating corruption, maintaining and promoting fair competition and complying with technical and regulatory laws, requirements and standards, in the product development process. This also includes respecting and upholding human rights, handling data responsibly, complying with sanctions and preventing money laundering and terrorist financing.

↗ Human rights

How the Mercedes-Benz Group approaches its key objectives and which laws and guidelines it uses as a guide is described below.

Combating corruption

GRI 3-3 GRI 205-1/-2/-3

The Mercedes-Benz Group is committed to fighting corruption – because it undermines fair competition and thus harms society as a whole. The Group's Corruption prevention measures extend beyond compliance with national laws. The Group also complies with the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997) and the UN Convention against Corruption (2003).

An appeal for action against corruption can also be found in the ten principles of the UN Global Compact (UNGC). As a founding member of the UNGC, the Mercedes-Benz Group is actively involved in combating corruption worldwide.

↗ Report profile – UN Global Compact progress report

The Mercedes-Benz Group's corruption prevention compliance programme is based on its CMS. An important component is the annual integrated compliance risk assessment. When assessing potential risks, the Group takes into account both internal information, such as the business model of a unit, and external information, such as the Transparency International Corruption Perceptions Index. The Group sees increased corruption risks in the area of sales activities in high-risk countries. In these areas, the Mercedes-Benz Group implements targeted measures to minimise risks.

The results of the annual compliance risk assessment are the basis for implementing targeted corruption prevention measures that are geared towards the risk of the respective unit. These measures aim to prevent corruption in all business activities, for example by critically evaluating Mercedes-Benz Group business partners and transactions (with a risk-based approach) and interacting with authorities and public officials in a particularly sensitive manner. In this way, the Group seeks to avoid even the mere appearance of corruption.

Generally in Group companies and central divisions with a high risk of corruption, a Local Compliance Officer, who is independent of local management, supports the implementation of the corruption prevention compliance programme.

Mercedes-Benz Group AG regularly reviews the effectiveness of measures to prevent corruption, and continuously improves existing methods and processes.

Promoting fair competition

GRI 3-3 GRI 206-1

The Group-wide antitrust compliance programme is aligned with national and international standards in order to ensure fair competition. The programme establishes a binding, globally valid Group standard that defines how matters of antitrust law are to be assessed. This standard is based on the criteria of the underlying European regulations and takes into account established legal practice at European antitrust authorities, as well as the rulings of European courts. In addition to the central legal and compliance department of Mercedes-Benz Group AG with specialised consultants, local legal and compliance consultants are also available to the global divisions. Mercedes-Benz AG employees receive further support through advice hotlines, guides and toolkits. The objective in this regard is to ensure a uniform level of compliance and advice in all countries.

Mercedes-Benz Group AG regularly reviews the effectiveness of the measures with which the Mercedes-Benz Group counters any antitrust risks, and continuously improves the methods and processes employed.

Ensuring compliance with product requirements

GRI 416-2

The Mercedes-Benz Group defines technical Compliance as adherence to technical and regulatory laws, requirements and standards. The fundamental spirit of laws and regulations, as well as internal development guidelines and processes, are taken into account. The aim is to identify risks in the product creation phase (product development and certification) at an early stage and counter them preventively. For this purpose, the Group has established a technical Compliance Management System (tCMS) in its automotive divisions. The target is to ensure that Mercedes-Benz Cars and Mercedes-Benz Vans comply with all legal and regulatory requirements throughout the entire product development and certification process. The tCMS defines values, principles, structures, and processes in order to provide employees with guidance and orientation, especially with regard to challenging questions of interpretation of technical regulations.

Mercedes-Benz Cars and Mercedes-Benz Vans have each established special organisational units with experts for technical Compliance in the development departments of the vehicle-related business units. Among other things, these units manage a network of tCMS contacts within the development and certification areas. As a link between the business units and the compliance organisation, it supports the development departments in all aspects of technical Compliance. Complex issues are assessed and decided as part of a preventive, interdisciplinary process based on technical, legal and certification-related criteria (tCMS

committees). The importance of issues relating to reputation is also taken into account.

In order to adequately face the transformation and the particular risks in software development and digitisation, the Mercedes-Benz Group has expanded the tCMS organisation in the Integrity, Governance & Sustainability resort: at the end of 2021, a department was established to adapt the processes and structures of tCMS to the specific requirements of software development and supplement them where necessary. It also acts as the Legal and Compliance Key Account for all development areas. Specifically, this department concerns itself with product-related risks in the areas of data protection, cyber security, free and open source software (FOSS) and automated driving, as well as increasingly important issues relating to the use of artificial intelligence (AI).

The tCMS is managed Group-wide by an independent governance function, whose management reports directly to the Board of Management member for Integrity, Governance & Sustainability. The governance function is made up of employees with various areas of expertise, e.g. in the areas of development, legal, integrity and compliance.

The framework for all tCMS-related activities is provided by the tCMS Policy, which applies to all companies with relevant development and certification activities. The policy summarises the key elements of the tCMS and defines the roles and responsibilities of all relevant functions. Process descriptions have been developed for key elements of the tCMS; the rights and obligations of the tCMS committees are defined in rules of procedure.

The whistleblower system BPO is also available for reports of misconduct in connection with technical Compliance. Examples of such violations include infringements of technical provisions or environmental protection regulations.

↗ Compliance management – The Whistleblower System BPO

In order to ensure technical Compliance in the Mercedes-Benz Group's supply chain, its business partners, especially suppliers, are sensitised to the importance of this topic. The Mercedes-Benz Group communicates the specific requirements in information guidelines, for example. The Mercedes-Benz Group also enters into dialogue with selected business partners who supply products of particular relevance to technical Compliance: it communicates its understanding of technical Compliance and clarifies its expectations of business partners.

In addition, the Mercedes-Benz Group is working with other car manufacturers and suppliers to create new industry standards for end-to-end Product Compliance: together they have developed the "Product Compliance System" manual, which was approved by the German Association of the Automotive Industry (VDA) at the end of 2023. The aim is to ensure Product Compliance in the value chains of the participating companies.

Technical Integrity is an important component of the tCMS, helping to further develop a culture of integrity in the product development departments and establish it for the long term. It makes an important contribution to the corporate culture, as well as to protection of the Group's reputation, by openly addressing critical issues and making decisions conscientiously.

The commitment statements of "Speak-up" and "Judgement Calls" create the basis for a common understanding of responsible behaviour in everyday work for all employees in the development and certification business units. They were developed jointly by Integrity Management and R&D departments and are further consolidated through internal departmental measures.

Responsible handling of data
Connectivity and digitalisation will have a major impact on mobility in the future. The responsible handling of data is therefore becoming increasingly important for the success of the Mercedes-Benz Group, which meets the increased regulatory requirements in the area of data protection with its Group-wide Data Compliance Management System (Data CMS), which, together with the data vision and data culture, is embedded in an overarching data governance system.

↗ Data responsibility

Trade Compliance – Export Control and Sanctions Compliance
At Mercedes-Benz Group AG, the Center of Competence for Export Control and Sanctions Compliance is part of the central Trade Compliance department. The aim is to ensure that the Mercedes-Benz Group complies with all applicable export restrictions as well as person- and goods-related sanctions in a dynamic environment. Transactions with persons, companies and organisations listed on sanctions lists are prohibited and punishable. Mercedes-Benz Group takes both applicable supranational sanctions lists and embargoes such as those of the UN or the EU, as well as national sanctions lists, into account with due consideration for data protection regulations.

The Group-wide export control and sanctions compliance guidelines define standardised measures to ensure compliance with goods-related restrictions and applicable sanctions regulations – including their systematic review. The Mercedes-Benz Group continuously analyses and evaluates to what extent further measures are necessary to minimise risks, and continuously develops and improves these methods and processes further.

Prevention of money laundering and terrorist financing
Money laundering and terrorist financing cause immense damage to the economy and society. Even an allegation of money laundering can damage a company's reputation and could have financial consequences for both the Mercedes-Benz Group and its stakeholders.

The Mercedes-Benz Group produces and sells motor vehicles and replacement parts worldwide and offers its customers corresponding services as well as suitable financial and mobility solutions. Consequently, Mercedes-Benz Group AG and its Group companies comply with the applicable provisions of the German Money Laundering Act (GwG) for traders in goods, as well as the regulations covering financing and leasing companies. For example, the Mercedes-Benz Group has taken Group-wide measures to prevent and combat money laundering and terrorist financing.

To this end, the Mercedes-Benz Group has established a so-called two-pillar model (goods trading and mobility services), which is intended to take account of the different regulatory requirements in the area of goods trading on the one hand and the area of financial services on the other. The first pillar of money laundering prevention comprises the Group companies of Mercedes-Benz Group AG as a trader in goods, while the second pillar comprises the financing companies of Mercedes-Benz Mobility.

For the first pillar of its core business of vehicle sales, replacement parts sales and service, Mercedes-Benz Group AG has implemented global minimum standards, processes and safeguards throughout the Group as a "trader in goods" within the meaning of the German Money Laundering Act (GwG). Specific requirements can be found in the Anti-Money Laundering Guideline and in the accompanying implementation guide for trading in goods. In addition, the Mercedes-Benz Group defines the prevention and combating of money laundering and terrorist financing as a central compliance objective in its Integrity Code.

Mercedes-Benz Group AG has officially appointed the Chief Compliance Officer (COO) as the responsible Group Anti-Money Laundering Officer, as well as his his deputy. He reports directly to the Board of Management member responsible for money laundering prevention, is responsible for money laundering prevention for all Group companies in the goods trading sector and is the point of contact for the regulatory authorities, law enforcement agencies, authorities for the detection, prevention and elimination of threats and the Financial Intelligence Unit (FIU). The Group Anti-Money

Laundering Officer for goods trading reports to the Board of Management member for Integrity, Governance & Sustainability.

The Anti-Money Laundering & Counter Terrorist Financing department supports the Anti-Money Laundering Officer in all his tasks: as a central Group unit, it performs the organisational function for Mercedes-Benz Group AG and all its companies in the area of goods trading across all business units on the basis of an annual Group risk analysis. It is also responsible for the guideline on the prevention of money laundering and terrorist financing in goods trading, with Group-wide standards and processes in accordance with the German Money Laundering Act. As part of an integrated compliance approach, applicable sanctions lists and goods-related restrictions are also reviewed by the responsible operating divisions, and measures are taken to prevent money laundering and terrorist financing. On the one hand, this is to prevent supra-national and national sanctions and goods-related embargoes from being violated or circumvented. On the other hand, the aim is to combat third-party activities that give rise to suspicions of money laundering, terrorist financing, organised crime and other economic crime.

Money laundering prevention at Mercedes-Benz Mobility – the second pillar – is managed by the Anti-Money Laundering@MBM Group Office (Group Office). This defines the standards and standardised measures in accordance with the Money Laundering Act in the Guideline for the Prevention of Money Laundering and Terrorist Financing of Mercedes-Benz Mobility AG. These standards are defined on a risk basis and cover the entire customer life cycle – from initiation of the contract over its period of validity up to the termination of the contractual relationship.

The subsidiaries of Mercedes-Benz Mobility AG are obliged to implement the policy in their respective organisations. The Group Office continuously monitors their implementation in close cooperation with the anti-money laundering officers of the Group companies through an annual, detailed group risk analysis, as well as controlling and monitoring activities derived from it. If a need for action is identified, the Group Office informs the respective money laundering officers and the management and supports the implementation of measures. The Group Anti-Money Laundering Officer of Mercedes-Benz Mobility reports directly to the member of the Board of Management responsible for Finance & Controlling of Mercedes-Benz Mobility AG.

In addition, the group Anti-Money Laundering Officers of the two Group pillars regularly engage in strategic dialogue in the Group-wide Anti-Financial Crime Committee together with key stakeholders from the areas of compliance and criminal law.

Open-source software and licensing agreements
FOSS is an essential component in vehicle and infrastructure applications as well as in the mobile apps of the Group. In the overarching “Free and Open Source” policy introduced in 2021, the Mercedes-Benz Group has defined measures, processes and systems to ensure compliance with the licence requirements for freely available software. Since then, the Group has continued to develop the FOSS ecosystem with a view to digitizing and automating processes in order to improve the feasibility of licensing requirements. This also makes a significant contribution to the Mercedes-Benz Group’s digitisation offensive.

In 2023, the Mercedes-Benz Group developed and introduced a FOSS licence database in which the corresponding licences are structured according to relevant content, especially licence obligations. This makes it easier for software developers to use FOSS licences, and also leads to a more transparent presentation of compliance requirements for the licences. In the year under review, the Group was also committed to the use of FOSS beyond its own business area – for example, by joining the SDV (Software Defined Vehicle) working group of the Eclipse Foundation. This is where the Mercedes-Benz Group works with other companies to make greater use of open standards, and thus to accelerate the development of innovative software products for the automobile industry.

How legal proceedings are handled

GRI 2-16/-27 GRI 3-3 GRI 206-1

The Mercedes-Benz Group categorises legal proceedings against its companies as significant if they represent a particular financial risk or a particular risk to the Group's reputation. Significant legal proceedings against companies of the Mercedes-Benz Group can be found in the Annual Report 2023 or the respective current quarterly report.

↗ Risk and Opportunity Report, Annual Report 2023

Measures and results

Compliance programme

The compliance programme comprises principles and measures that are designed to reduce compliance risks and prevent violations of laws and regulations. The individual measures are based on the knowledge gained through systematic compliance risk analyses of the Group. The Mercedes-Benz Group focuses on the following areas, among others: continuous awareness-raising for compliance as well as preventive training measures, the consistent follow-up of indications of misconduct and the formulation of clear requirements for the behaviour of business partners. These are described in more detail in the following sections.

In order to obtain an independent, external assessment of the compliance programme, Mercedes-Benz Group AG commissioned KPMG AG Wirtschaftsprüfungsgesellschaft to audit the Group's own CMS for anti-corruption, antitrust and technical compliance in accordance with audit standard 980 of the Institute of Public Auditors in Germany. These audits, which were based on the principles of appropriateness, implementation and effectiveness, were successfully completed for the Group's CMS Corruption Prevention at the end of 2019, for tCMS (focus on emissions) at the end of 2020 and for CMS Antitrust at the end of 2021. The latter was the second such audit, the first having been conducted in 2016.

The Whistleblower System BPO

GRI 2-16/-25 GRI 3-3 GRI 205-1/-3 GRI 406-1

The whistleblower system BPO (Business & People Protection Office) enables all employees and external whistleblowers worldwide to report rule violations. The whistleblower system BPO is available around the clock to receive information, which can be sent by email or normal mail or by filling out a special form. External toll-free hotlines are also available in Brazil, Japan, South Africa and the United States. Reports can also be submitted anonymously if permitted by local laws. In Germany, whistleblowers have access to additional contact points such as a neutral external intermediary and other external reporting channels (e.g. the federal government's external reporting office at the Federal Office of Justice, the whistleblower office of the Federal Financial Supervisory Authority (BaF) or the Federal Cartel Office's whistleblower system).

The Mercedes-Benz Group is made aware of potential risks via the whistleblower system BPO, and can avert damage to the Group, its employees and third parties while protecting persons harmed by misconduct. A globally valid Group policy regulates the whistleblower system BPO procedure and the corresponding responsibilities. It aims to ensure a fair and transparent procedure that takes into account both protection of the whistleblower and the principle of proportionality for the persons affected by the allegation. The guideline also defines the standard by which the Mercedes-Benz Group assesses breaches of the rules and decides on the consequences. If a new tip-off is received, the whistleblower system BPO carries out a risk-based initial assessment based on the four-eyes principle and forwards the case to an internal investigation unit or to the responsible department.

If, following a risk-based initial assessment, the BPO categorises a rule violation with a high risk for the Mercedes-Benz Group, its employees or other persons, it hands over the case to an investigation unit. The whistleblower system BPO provides support for the subsequent investigation until the case is closed. High-risk violations include e.g. corruption, antitrust and money laundering offences, breaches of technical specifications or violations of environmental regulations, as well as personal matters such as sexual harassment or human rights violations. In the event of criminal offences, the Mercedes-Benz Group reserves the right to press criminal charges. The Mercedes-Benz Group fully cooperates with the authorities in the process.

Based on the report of the internal investigation unit, recognisable misconduct is also assessed under the aspect of labour law. Human Resources can then impose appropriate personnel measures in line with applicable labour laws. Possible personnel measures as a result of rule violations are described in the Treatment of Violations policy and can be viewed transparently by all employees. The investigation report can refer not only to irregular conduct, but also to favourable associated circumstances and possibilities for further improving processes, as well as specify measures that have a mitigating effect or prevent a repeat offence.

The whistleblower system BPO forwards information on all other violations with risk to the responsible department – such as Human Relations, Corporate Security or Data Protection. The relevant departments follow up the information and resolve the cases on their own responsibility. This includes e.g. theft, fraud or undue enrichment with a value of less than €100,000 – as long as they are not classified as corruption. The anonymity of the whistleblower can also be guaranteed in these cases.

Reported violations

GRI 2-16 GRI 3-3 GRI 205-1/-3

A total of 55 new cases with 75 accused individuals were opened during the reporting year (previous year: 58 cases/72 persons). A total of 54 violations were confirmed with a high risk for the company, its employees or other persons. Of these, 6 violations belonged to the category of “passive corruption”. 6 violations were in the categories of “undue enrichment” or “theft” over € 100,000, 7 violations in the category “damage over € 100,000. 12 violations were in the category of “reputational damage”. In 15 violations, allegations relating to misconduct by employees to the detriment of other employees, such as “violation of mental/physical integrity”, “sexual harassment” or “racism”, were confirmed. 8 confirmed high-risk violations related to “other” categories. In the case of confirmed violations, the Mercedes-Benz Group decides on appropriate measures in line with the principles of proportionality and fairness. The personnel measures in 2023 included verbal or written warnings and extraordinary terminations.

The whistleblower system BPO accompanies the processing of reports until the proceedings are concluded, and guarantees confidentiality and, if desired, anonymity.

Whistleblowers who report a possible rule violation based on specific indications are protected; the confidentiality of their statements is ensured. If they are disadvantaged, this is categorised as a high-risk infringement in the guideline. Accordingly, whistleblowers who have been discriminated against for their reports should contact the whistleblower system BPO.

Discrimination against or intimidation of a person because of a report they have made is punishable by disciplinary measures with due regard to current legislation.

Whistleblowers may also contact government authorities (such as the police, the public prosecutor’s office and supervisory bodies for financial services) at any time. There are no in-house requirements or measures that would hinder or prevent such a step.

In order to steadily increase trust in the whistleblower system BPO and make it even better known to employees, the Mercedes-Benz Group provides extensive information in various languages via various communication channels. In addition, it regularly informs employees about the type and number of reported violations and provides anonymised case studies on a quarterly basis. The Mercedes-Benz Group also reviews the effectiveness of the measures every two years on the basis of employee surveys. This involves asking specific questions about awareness of and trust in the whistleblower system BPO. Employees around the world are able to provide feedback within this framework.

Communication and training

GRI 2-17 GRI 3-3 GRI 205-2

On the basis of its Integrity Code, the Mercedes-Benz Group offers a comprehensive range of training courses on compliance topics – e.g. for employees in administration and for members of the Supervisory Board and the executive management of Group companies.

The content and topics of the training courses are tailored to the roles and functions of the respective target group. The Mercedes-Benz Group regularly determines the demand for its training programme, makes adjustments and additions and carries out evaluations. To verify the acquired knowledge, the web-based training courses contain test and control questions that must be answered correctly for successful completion of the respective module.

The respective modules are automatically assigned to employees when they are recruited, promoted or when they move to a function associated with a higher risk. As a rule employees are required to absolve the web-based training programme every three years, but it is voluntary for commercial employees. For example, employees in administration have access to a web-based training programme for specific target groups, which, in addition to a mandatory basic module, includes specific modules for managers as well as expert modules on various compliance topics. In the reporting year, Mercedes-Benz Group AG fundamentally revised and relaunched the basic module on integrity for its employees in administration and also for employees in the consolidated Group companies. The centralised web-based training programme is supplemented by local training measures.

With a wide range of central and local communication and training measures, the Mercedes-Benz Group sensitises its employees throughout the Group to issues such as competition and anti-trust law and the prevention of corruption. The local compliance officers and legal departments in the Group companies provide additional training. In the development and certification areas of all divisions, Mercedes-Benz Cars and Mercedes-Benz Vans make their employees aware of the topics of integrity, compliance and law in the product development process.

Mercedes-Benz Group AG also offers information and training measures for supervisory and management functions. This applies to new members of the Supervisory Board of Mercedes-Benz Group AG, for example. As part of the onboarding programme, Mercedes-Benz Group AG informs new members about selected topics in the areas of integrity, compliance, law and sustainability.

The web-based management module “Corporate Governance” is aimed at CEOs and CFOs as well as members of supervisory boards of controlled and non-controlled shareholdings of Mercedes-Benz Group AG. It provides general knowledge about the rights and obligations associated with the mandate, and about personal risks.

Training programme Integrity and Compliance 2023 – web-based

GRI 205-2

Basic Modules	**These modules are automatically assigned to all active employees (full-time and part-time) in administration of Mercedes-Benz Group AG and in the consolidated Group companies**	
Basic Module – Integrity@Work (Key content: Integrity, sustainability, corruption prevention, antitrust law, handling of data, human rights, social media, the whistleblower system based on the Integrity Code)	**Number of participants**	**123,493**
	thereof employees	
	in administration worldwide:	112,600
	in management functions worldwide:	10,893
Basic Module – Sustainability@Mercedes-Benz	**Number of participants**	**19,975**
	thereof employees	
	in administration worldwide:	19,757
	in management functions worldwide:	218
Management Modules		
Management Module – Integrity@Work This module is automatically assigned to all managers (full-time and part-time) in administration of Mercedes-Benz Group AG and also managers in consolidated Group companies.	**Number of participants**	**690**
	thereof employees	
	in management functions worldwide:	690
Management Module – Human Rights Compliance This module is automatically assigned to all relevant managers (full-time and part-time) in administration of Mercedes-Benz Group AG and also managers in consolidated Group companies.	**Number of participants**	**7,827**
	thereof employees	
	in management functions worldwide:	7,827
Management Module – Corporate Governance This module is assigned to all CEOs/CFOs as well as members of a supervisory board of Mercedes-Benz Group AG and controlled as well as non-controlled shareholdings.	**Number of participants**	**103**
	thereof employees	
	in management functions worldwide:	103
Expert Modules	**These modules are automatically assigned to all relevant employees (full-time and part-time) in administration of Mercedes-Benz Group AG and in the consolidated Group companies**	
Expert Module – Anti-Money Laundering	**Number of participants**	**7,967**
	thereof employees	
	in administration worldwide:	7,135
	in management functions worldwide:	832
Expert Module – Antitrust Overview	**Number of participants**	**21,527**
	thereof employees	
	in administration worldwide:	18,160
	in management functions worldwide:	3,367

Training programme Integrity and Compliance 2023 – web-based

GRI 205-2

Expert Module – Data@Mercedes-Benz	**Number of participants**	**18,268**
	thereof employees	
	in administration worldwide:	18,056
	in management functions worldwide:	212
Expert Module – EU General Data Protection Regulation	**Number of participants**	**2,162**
	thereof employees	
	in administration worldwide:	1,377
	in management functions worldwide:	785
Expert Module – Insider Law	**Number of participants**	**839**
	thereof employees	
	in administration worldwide:	554
	in management functions worldwide:	285
Expert Module – Integrity & Compliance@Mobility Sales & Marketing	**Number of participants**	**183**
	thereof employees	
	in administration worldwide:	102
	in management functions worldwide:	81
Expert Module – Integrity & Compliance@Procurement	**Number of participants**	**947**
	thereof employees	
	in administration worldwide:	891
	in management functions worldwide:	56
Expert Module – Integrity & Compliance@Sales & Marketing	**Number of participants**	**4,205**
	thereof employees	
	in administration worldwide:	4,004
	in management functions worldwide:	201
Expert Module – Intellectual Property	**Number of participants**	**4,168**
	thereof employees	
	in administration worldwide:	4,039
	in management functions worldwide:	129

Training programme Integrity and Compliance 2023 – web-based

GRI 205-2

Expert Module – Product Safety & Liability	**Number of participants**	**42,424**
	thereof employees	
	in administration worldwide:	38,592
	in management functions worldwide:	3,832
Expert Module – SCE Relevance@Cars and Vans	**Number of participants**	**3,356**
	thereof employees	
	in administration worldwide:	3,237
	in management functions worldwide:	119
Expert Module – Social Compliance	**Number of participants**	**133**
	thereof employees	
	in administration worldwide:	121
	in management functions worldwide:	12
Expert Module – Technical Compliance & Integrity@Cars and Vans	**Number of participants**	**7,983**
	thereof employees	
	in administration worldwide:	7,770
	in management functions worldwide:	213

Integrity and compliance training programme 2023 – face-to-face [1, 2]

GRI 205-2

	Number of events	Number of participants
Anti-Corruption (incl. general compliance topics)	89	3,301
Anti-Money Laundering	26	773
Antitrust	25	2,477
Check against Sanctions Lists	26	1,095
Data Compliance	26	426
Technical Compliance	44	6,445

1 Face-to-face training sessions were partially conducted in digital form in the reporting year.
2 Target group relevant employees in management functions and in administration worldwide.

Sales partners and suppliers

The Mercedes-Benz Group expects not only its employees to comply with laws and regulations; it also places clear compliance requirements on its sales partners and suppliers – because acting with integrity and in compliance with the rules is a prerequisite for any trusting cooperation. The Mercedes-Benz Group has formulated in detail its expectations for collaboration with its business partners in the Business Partner Standards (BPS) and specifically for its suppliers in the Responsible Sourcing Standards (RSS); both documents are available on the Group website.

When selecting direct sales partners, and for existing sales partners, the Mercedes-Benz Group checks partners compliance with legislation and adherence to ethical principles. This takes place as part of a globally standardised and risk-based process (Sales Business Partner Due Diligence Process). All new sales partners are subjected to a due diligence check. Its successful completion is a prerequisite for collaboration. The risk-based review takes into account, among other things, the planned business model, the country risk and the involvement of third parties and government interaction. The specific risks are determined using specific questionnaires. During the ongoing cooperation with the sales partners, the existing due diligences are reviewed on an ad hoc or periodic basis depending on the risks identified. Another component of the due diligence process is permanent monitoring. The Group continuously checks existing sales partners against relevant databases and valid sanctions lists in order to identify potential integrity violations. If a partner fails to comply with the Group standards, or if there are breaches of integrity that cannot be resolved, the Mercedes-Benz Group reserves the right to terminate the selection process or the cooperation. With regard to its suppliers, the Group works with its procurement units to continuously improve processes for selecting and cooperation with suppliers.

Based on the BPS and RSS standards and the Integrity Code the Mercedes-Benz Group makes web-based Compliance Awareness Modules (CAM) available to both sales business partners and suppliers. These modules are intended to make them aware of current integrity and compliance requirements such as those related to corruption prevention and technical compliance. The Mercedes-Benz Group thus offers its suppliers and sales partners comprehensive assistance in dealing with possibly relevant compliance risks.

↗ Social compliance – Requirements for suppliers

Data responsibility

Materiality and goals

GRI 3-3

Targets	Target horizon	Status as of 2023
Evaluate the effectiveness of our Data Compliance Management System[1]	ongoing	Design: completely fulfilled Implementation: completely fulfilled Operational effectiveness: partially fulfilled
Strengthen customer confidence in Mercedes-Benz data processing	ongoing	

1 Multi-stage evaluation methodology:
1. Design – Is the system designed to meet the goals of the Compliance Management System?
2. Implementation – Has the system, which is effective in its design, been implemented accordingly in practice?
3. Operational effectiveness – Is the system as set up being used effectively?

Digitisation, connectivity and data-based analytics are already shaping the mobility of tomorrow. The Mercedes-Benz Group conserves valuable resources through digital product planning. Stronger networking during production ensures more efficient processes. On the roads, their increasingly automated driving systems increase road safety.

However, while data opens up new business opportunities, its use also requires great care. Data is a sensitive commodity that is worthy of the protection offered by a strict legislative framework.

The regulatory requirements for data protection have increased significantly worldwide in recent years. At the same time, public awareness of the topic has also increased. The responsible handling of data is therefore increasingly becoming a decisive competitive factor.

Data responsibility

Strategy and concepts

Data protection and information security

GRI 3-3

Protecting personal data (data protection) and Information security are a high priority for the Mercedes-Benz Group. Only if customers and product users can trust that their data are secure will they accept new technologies such as Artificial Intelligence (AI)

↗ Data responsibility – Responsible use of artificial intelligence

At the Mercedes-Benz Group, data protection begins with the design of new products and services and encompasses numerous other aspects of compliance with data protection regulations. It uses an integrated Data Compliance Management System (Data CMS) to plan, implement and regularly monitor all necessary measures in a systematic and risk-based manner.

The Mercedes-Benz Group also fulfils the high security requirements of its customers when it comes to information security: with a view to the state of the art, it is constantly developing the security of its IT in order to protect data from loss, theft, manipulation and misuse, as well as to guarantee their availability.

Holistic data responsibility

GRI 3-3

The Mercedes-Benz Group recognises the protection of personal data and the security of IT systems as essential components of comprehensive data governance. The central objectives are the sustainable design of data-based business models and the responsible, legally compliant and ethically correct handling of data in the interests of customers, employees and other stakeholders. To achieve these strategic goals, the Mercedes-Benz Group is pursuing a systematic approach. Key elements are the data governance structure, the data vision, the data culture and the above-mentioned Data CMS.

Data governance structure

The systematic approach to data governance was developed in the Management Board's Integrity, Governance & Sustainability central division. The implementation of data governance in the business divisions of the Mercedes-Benz Group is the responsibility of the various bodies for data and data analytics. These are cross-functional teams of managers who perform data-related duties. The teams meet regularly to promote the digital transformation in the divisions on the basis of the measures prioritised by the Board of Management.

For the operational implementation of the strategic goals in the area of data responsibility, the divisions started to set up corresponding programmes in 2023 in order to establish specific processes for the responsible use of data. Operationalisation is reviewed on an ongoing basis and adjusted if necessary. All relevant specialist departments coordinate their current data analytics projects in the boards and create the basis for efficient and responsible data usage. Experts from Corporate Data Protection are on hand to support the divisions in order to accompany the projects from the outset and thus contribute to their legally compliant implementation.

Within the Mercedes-Benz Group, there is also a Digital Governance Board with Board of Management involvement, which deals with the digital transformation as a whole. By formulating and coordinating standards and principles and providing assistance with regard to data usage, digital technology and digital business models, this body defines the framework for the Group-wide key topics of digital governance and thereby supports the transformation of the Group. Data governance is a subarea of digital governance.

To ensure data compliance, the Mercedes-Benz Group operates a matrix organisation: the role of Chief Compliance Officer is an important organisational interface for the Group-wide management of data compliance. The Chief Compliance Officer heads the compliance organisation and reports regularly to the Board of Management member responsible for Integrity, Governance & Sustainability on current developments in data compliance issues, as well as to the entire Board of Management on a quarterly basis.

Corporate Data Protection also plays a key role in managing data compliance. Supervised by the Chief Officer Corporate Data Protection, the department defines the individual elements of the Data CMS and coordinates its Group-wide implementation. The officer's tasks also include carrying out an annual data compliance risk assessment and monitoring and defining the measures to be derived from this. Their implementation is the responsibility of the management of the respective Group companies and units.

The Chief Officer Corporate Data Protection at the Mercedes-Benz Group is responsible for ensuring that the duties defined by law for compliance with data protection regulations are fulfilled. In cooperation with the compliance organisation, the Chief Officer monitors compliance with data protection laws and the Group's own data protection guidelines. He is responsible for processing data protection complaints and communicating with the data protection supervisory authorities. The Chief Officer also carries out communication and training measures. In addition, the Chief Officer advises responsible individuals and specialist units on all questions relating to data protection. Regarding the exercise of these tasks, the Chief Officer has freedom of action. Beyond that he reports to the Chief Compliance Officer

and the Management Board member for Integrity, Governance & Sustainability.

For managing data protection, the Mercedes-Benz Group also relies on a global compliance network with local contact persons for data protection in the respective companies.

Data Vision

The Mercedes-Benz Group's commitment to the responsible handling of data is anchored in its data vision. In the period from November 2022 to May 2023, the Mercedes-Benz Group focused on revising what is known as the "Mercedes-Benz Data Vision" and deriving and launching measures to increase customer trust.

The renewed vision formulates the demands that Mercedes-Benz places on itself when handling data and sets out the framework conditions for this. It has been publicised throughout the Group and supports employees in their work with data. The principles set out therein provide direction and define which aspects employees must observe when handling data.

The aim of revising the Data Vision was to embrace the increasing use of data and the increased stakeholder requirements on data responsibility. Initial impetus for adapting the data vision came from the Group Sustainability Committee (GSC) and the Advisory Board for Integrity and Sustainability, as well as from the results of the Mercedes-Benz Sustainability Dialogue. In addition to Corporate Data Protection, the departments Research and Development as well as Marketing and Sales also played a key role in the realignment.

The central message of the vision is: "For the Mercedes-Benz Group, customer trust and the responsible handling of customer data are the foundation for sustainable digital products and services." The new version was approved by the Digital Governance Board and flanked by various measures. This includes an improved, more transparent consent management: this is intended to support customers in making their data available for the corresponding digital services in a self-determined manner.

The Data Vision is based on seven principles: business opportunity, data quality, customer benefit, data ethics as well as transparency, choice and data security. The last three are particularly important for the Group today. Among other things, the Mercedes-Benz Group derives from those the objective of informing customers, including users who are not customers themselves, about when and which data are processed and for what purpose. In order to achieve this, the Mercedes-Benz Group informs them in detail in the sales information, in digital apps, in owner's manuals, in product- and service-specific privacy notices, on its own data protection website and – wherever possible and reasonable – also directly in vehicles. In accordance with their legal rights, customers should be able to decide for themselves which services they want to use and which data they want to share – either by consent, contract or by pressing a button. This also means that these decision-making options must be transparent and clearly designed. They can activate and deactivate the Mercedes me connect services in the Mercedes me Portal or in the Mercedes me App at any time, for example. Mercedes me connect has been available to customers in 28 countries since the beginning of 2022. The Mercedes-Benz Group aims to provide the platform for most of its markets worldwide.

↗ Data responsibility – Customer trust

Data protection is a task that everyone in the Group must take seriously. It is the basis of the Mercedes-Benz Group's data culture, which stands for the responsible handling of data. In order to further establish the culture throughout the Group, it is important that all employees live the seven principles of the data vision. To this end, the Mercedes-Benz Group offers its employees various web-based training courses and qualification programmes.

↗ Data responsibility –
Internal information and training measures

Data Compliance Management System

GRI 3-3

The Mercedes-Benz Group's Data CMS supports the Group in implementing its measures to comply with data protection requirements in a systematic and risk-based manner. In doing so, it takes into account the applicable data protection regulations. For the Group companies in the EU, the General Data Protection Regulation (GDPR) is particularly relevant for this, while the internal Global Standards for Data Protection and the respective local data protection laws form the basis for companies outside the EU.

A central component of the Mercedes-Benz Group's Data CMS is the Data Compliance Risk Assessment. As part of this systematic process, the compliance organisation identifies, analyses and evaluates data protection risks on an annual basis. This applies equally to Group companies and to the central units. The results of this analysis form the basis for managing and minimising risks.

Internal regulations on data compliance

GRI 2-23/-24

Based on the GDPR, the Mercedes-Benz Group has developed defined uniform internal data protection standards for the Group, its Data Protection Policy EU. This policy regulates how the personal data of employees, customers and business partners with a connection to the EU should be handled for all Group companies. With it, the Mercedes-Benz Group is giving due consideration to the special regulatory environment in its European core market.

In 2022, the European Data Protection Board recognised the standards of the Policy as binding corporate rules (BCR). By complying with the BCR, the Mercedes-Benz Group ensures an appropriate level of data protection for the transfer of personal data to Group companies in third countries.

With its Global Data and Information Policy, the Mercedes-Benz Group has also created the basis for legally compliant, responsible and secure handling of information and data worldwide. The policy sets out the Group's objectives, principles and responsibilities for the areas of data management, data compliance and information security and defines measures for their implementation. It also includes the Global Standards for Data Protection, which are intended to ensure an appropriate level of data protection throughout the Group. The Mercedes-Benz Group thus sets a binding standard that is supplemented by the requirements of the internal Data Protection Policy EU. In 2023, the policy was adapted to reflect current developments and its content was further developed with the involvement of the relevant governance functions and representatives from the specialist units. The new version was approved by the Digital Governance Board.

Responsible use of artificial intelligence

Artificial intelligence (AI) is playing an increasingly important role for the future of the automotive industry in a wide variety of areas: it makes production more flexible and efficient and enables companies to fulfil their customers' needs even better. But, alongside its great potential, the use of intelligent systems also holds risks – of which the Mercedes-Benz Group is aware. The responsible handling of AI is therefore a high priority.

In 2019, the Mercedes-Benz Group was thus one of the first automotive companies to define and publish the following principles for dealing with this technology: "Responsible use", "Explainability", "Protection of Privacy" and "Safety and Reliability". The principles are intended to serve employees as guidelines for the development and use of AI and increase the acceptance of AI-based solutions.

The principles are anchored in the Mercedes-Benz Group's Integrity Code. They complement the data vision and are therefore an important part of the Group's digital responsibility.

To ensure a responsible approach to AI, the Mercedes-Benz Group has also developed a risk-based and adaptive framework that is continuously adjusted to the dynamic external conditions. The aim of this AI governance framework is to bring the four AI principles even more firmly into practice and to support the Mercedes-Benz Group in identifying and minimising legal and ethical risks at an early stage and thus implementing AI-based business models in a responsible manner. Its focus is particularly on systems that use machine learning or deep learning.

In the reporting year, the Mercedes-Benz Group further developed its approach towards AI governance, among other things, to even better consider generative AI models such as ChatGPT. It also implemented an AI governance process throughout the Group.

Measures and results

Effectiveness evaluation of the Data CMS

GRI 3-3

The Mercedes-Benz Group is continuously developing its Data CMS. With the help of the annual monitoring process, it examines the extent to which compliance measures have been implemented and the objectives pursued have been achieved. This way, the compliance organisation continuously assesses whether the Data CMS is appropriate and effective. The resulting need for action is incorporated into the update of the compliance management system, which is documented and monitored on a risk-oriented basis.

The annual monitoring review of the Data CMS for the reporting year revealed that the design of the Data CMS is appropriate and suitable for achieving the compliance objectives. There are no indications that the implementation targets of the Data CMS were not fully met in the reporting year. In terms of operational effectiveness, there have been positive developments and progress at the measure level. However, there are challenges in some Group units regarding the operational effectiveness of single data protection measures. Thus, there are indications that the objectives of the Data CMS have only been partially fulfilled. Identified weaknesses are analysed and transferred to a lessons learned process.

Internal information and training measures

In its transformation, the Mercedes-Benz Group is focussing on a more active use and responsible handling of data and AI. The seven principles of the data vision, as well as the four AI principles serve as a framework.

All employees of the controlled Group companies who have email access must complete the web-based training courses “Integrity@Work” and “Data@Mercedes-Benz” every three years. Among other things, these training courses raise awareness of data protection topics and explain how data can be used reasonably. In addition, they show how employees themselves can handle data responsibly. For managers in the EU, participation in web-based training on the GDPR is also mandatory. Members of the general management or a Supervisory Board committee are also assigned the web-based “Corporate Governance” training every three years – it includes topics such as antitrust, social compliance and risk management as well as information on data protection. The training programmes are available worldwide via a digital learning management system. In addition, employees of the Mercedes-Benz Group are provided with comprehensive information on data-related topics on the Social Intranet.

Employees from particularly data protection-relevant units – e.g. HR, Sales or Development – receive special training. In Group companies with a high data protection risk, annual training plans are drawn up. Participation in the training is documented.

Furthermore, the Mercedes-Benz Group has developed a guideline on the use of generative AI applications and raised awareness of its employees regarding the risks of AI through various dialogue and communication formats. It has also further expanded its information and training programme on the responsible use of AI. A central AI governance team advises employees on legal and ethical issues relating to the implementation of AI projects.

The local compliance organisation plays an important role in the implementation, consultation and monitoring of data compliance measures. For this reason, the Local Compliance Officers and those responsible for compliance in Group companies with a medium or high data protection-related risk undergo a further qualification programme on data protection and data compliance in addition to the above-mentioned training courses.

Customer trust

The Mercedes-Benz Group wants to further strengthen its customers' trust in Mercedes-Benz data processing. The Mercedes me Privacy Center provides customers with an overview of which of their personal data are processed for which purposes. They can easily decide and configure for what purposes Mercedes-Benz and certain third parties may process their data. The Privacy Center already covers various processing activities, and more are planned. The portal can be accessed on the web and via the new version of the Mercedes me App launched in the reporting year. At the same time, the data protection website on the Mercedes-Benz brand portal is also being revised and expanded. This is where interested parties can find basic information on how Mercedes-Benz handles personal data as well as on the Group's data processing principles and innovative data-supported mobility applications.

The Mercedes-Benz Group is also working on the further development and implementation of data sharing solutions. In cooperation with partners such as cities, municipalities and insurers, it endeavours to make data available in such a way as to benefit the general public while promoting privacy. For example, by sharing vehicle data in order to increase road safety or to enable the development of customised insurance rates by sharing customer data with insurance companies following their consent. In addition, the Mercedes-Benz Group is continuously working on technologies to promote privacy and made new developments available internally in the reporting year. The aim is to include privacy-enhancing technologies in the product design process right from the beginning.

Open dialogue

The Mercedes-Benz Group promotes open dialogue with external stakeholders. Its aspiration is to interact and share information in particular with experts from associations, data protection authorities, industry and universities and to take their interests into account. As part of the "Sustainability Dialogue 2023", participants in the "Data Responsibility" working group discussed topics such as "privacy-enhancing technologies as a lever for customer trust in Mercedes-Benz data processing".

As part of its association and committee work in various organisations, the Mercedes-Benz Group has also participated in the social discourse on legal and ethical issues in connection with AI and the EU's planned AI Act and the adopted EU Data Act, among other things.

Information security requirements

For the globally active Mercedes-Benz Group and its comprehensive business and production processes, it is essential that information is kept up-to-date, complete and correct, and that it can be exchanged. The regulations on cyber and information security are based on the ISO/IEC 27000 series of standards for information security. Advancing digitisation and the growth in available data volumes are increasing the digital vulnerability of Mercedes-Benz. As a result, cyber security requirements are also increasing. Regulatory developments are contributing to this as well. The increasing requirements on cyber security and cyber security management systems are taken into account in the further development of the Mercedes-Benz Group's processes and standards.

Cybercrime and malware pose risks that can affect the availability, integrity and confidentiality of information and IT-based resources. In the worst-case scenario, IT-supported business processes are interrupted due to system failures – despite extensive precautions. It is also possible for customer and vehicle user data to be lost or falsified as a result of criminal activity or inadequate security. Such incidents can have a negative impact on the Group result. Stricter regulatory

requirements in particular can give rise to third-party claims – and result in costly regulatory requirements and penalties with an impact on earnings. In addition, the loss or misuse of data can lead to reputational damage under certain circumstances.

In view of the need to protect information, the Mercedes-Benz Group together with its partners operates secure IT systems and a reliable IT infrastructure. In addition, risks are identified over the complete life cycle of applications and IT systems and treated according to their importance. The risk management process for information security ensures that IT security risks are systematically identified, assessed, addressed and regularly reviewed by the Mercedes-Benz Group. This also includes information risks arising from collaboration with business partners, suppliers, authorities, customers and other external third parties. The requirements for the process comply with ISO/IEC 27005:2018.

The Group's aim is to reduce potential downtimes in the event of damage and to minimise the associated impact on business processes. To this end, the Mercedes-Benz Group is continuously developing its technical and organisational security measures and strengthening the resilience of its IT. Various measures to increase IT security were implemented in the reporting year. Potential entry points for vulnerabilities such as computers, mobile phones and data centres have been continuously optimised, e.g. through suitable security concepts, improved test procedures and additional maintenance. In addition, several emergency drills were carried out for individual critical applications in the Group. The Mercedes-Benz Group also actively promoted the exchange of knowledge in the reporting year, e.g. with industry associations such as the European Automobile Manufacturers' Association (ACEA) and the German Association of the Automotive Industry (VDA), and is an active member of German Cyber Security Sharing and Analytics e.V. (CSSA). In this context, the Group exchanged views with selected experts on cyber security threats and worked together with security researchers from all over the world to develop even better and more secure products and services.

In a globally operating Cyber Intelligence & Response-Center, the Mercedes-Benz Group analyses specific threats and coordinates countermeasures. It is also continuously expanding the protection of its products and services against hacker attacks and cybercrime and runs cyber security programmes to systematically reduce the risks.

In addition, Mercedes-Benz Group AG has held cyber insurance for several years. It covers risks from cyber attacks in accordance with the typical insurance conditions on the market and up to the agreed sum insured. The Mercedes-Benz Group estimates the extent of information technology risks and the probability of occurrence of corresponding incidents to be largely unchanged compared to the previous year due to the constant implementation of countermeasures.

Dealing with data breaches

GRI 418-1

A centralised reporting process has been established within the Mercedes-Benz Group for handling data protection incidents. Data breaches can be reported worldwide around the clock by telephone or email. Employees and contractors are required to report all potential data breaches. The Chief Officer Corporate Data Protection – or the chief officer's team – is also available as a point of contact for customers with data protection concerns. The contact details are publicly available. In addition, the Mercedes-Benz Group has established a general whistleblowing process through which all potential compliance violations can be reported.

↗ Compliance management – The Whistleblower System (BPO)

In Group units subject to the GDPR, Corporate Data Protection is responsible for following up on reports of data protection incidents. It is assisted by a local Incident Support unit to clarify the facts on site. In Group units not subject to the GDPR, local Incident Support takes over further processing. The results must be made available to Corporate Data Protection for documentation purposes.

In 2023 there were only a few cases of a notification to the responsible data protection authorities. Those notifications did not result in any official measures against the Mercedes-Benz Group.

Partnerships and political commitment

Materiality and goals

GRI 3-3

Targets	Target horizon	Status as of 2023
Responsible political advocacy for the key issues to achieve the sustainable business goals. The topics are: – Climate protection and adaption to climate change – Emission reduction – Resource conservation – More sustainable urban mobility – Traffic safety – Respect of human rights	Ongoing	On schedule (milestones reached in 2023)
Strengthen the credibility of the Mercedes-Benz Group through transparency of its political positions on sustainability issues	Ongoing	On schedule (milestone reached in 2023)
Milestone: Update the “Mercedes-Benz Group Climate Policy Report”	Ongoing	Target achieved

As an actor in the transport sector, the Mercedes-Benz Group supports the Paris Climate Agreement and is convinced of its goals. The sustainable business strategy of the Mercedes-Benz Group therefore also determines the Group’s political advocacy.

↗ Sustainable Corporate Governance – Sustainable business strategy

The sustainable development of the transport sector as well as the protection of the climate and natural resources pose many challenges. To overcome these, the Mercedes-Benz Group attaches great importance to a partnership-based dialogue between politics, business and society. For the Group, partners in this sense are all those stakeholders who work together with it to achieve the United Nations Sustainable Development Goals (SDGs) – and this is precisely where the work of the Mercedes-Benz Group’s External Affairs unit comes in.

Trusted partner

Strategy and concepts

Responsible and transparent representation of interests

GRI 3-3

The Mercedes-Benz Group bears social responsibility, which also includes political advocacy. This is because the balancing of different interests and the presentation of reliable information are important in enabling elected officials to make informed trade-offs and effective political decisions. The Group claims to be an honest advisor. The Mercedes-Benz Group’s guiding principle here is to be able to answer questions about its activities at all times. The Mercedes-Benz Group is also convinced that the public has a right to be informed about the processes of political advocacy activities. It is also of the opinion that companies which position themselves transparently are more successful than others in the medium and long term.

With the legally required registration in the German Lobby Register, Mercedes-Benz Group AG is obliged to comply with the Code of Conduct for Lobbying under the Lobby Register Act in addition to its own lobbying principles. The company will also comply with the new requirements arising from the amendment to the German Lobby Register Act as of 1 March 2024. Mercedes-Benz Group AG is also entered in the Transparency Register of the Baden-Württemberg state parliament. Entries in other Transparency Registers at federal state level are currently being reviewed and may be made in the near future. The Mercedes-Benz Group AG fulfils transparency requirements at EU-level by accrediting its political representatives in the EU Parliament's Transparency Register. The Mercedes-Benz Group also uses its own Mercedes-Benz Group Climate Policy Report to provide information about its political positions. In addition, the Mercedes-Benz Group publishes further information about its position on relevant strategic issues affecting its stakeholders on the Group website.

The political positions on the Group website were updated in the reporting year.

The Mercedes-Benz Group aligns its political advocacy with principles of transparency and responsibility and is guided by the Group-wide Integrity Code. In addition, the Group regularly reviews its partnership portfolio and develops it further in order to pursue the objectives of the sustainable business strategy in the best possible way.

Dialogue with stakeholders

GRI 2-29 GRI 3-3 GRI 413-1

Within the framework of responsible political advocacy, the Mercedes-Benz Group seeks dialogue with governments, political representatives and authorities, as well as other representatives which safeguard the public interest, at its locations worldwide, and this was also the case in the year under review. In addition, it engages in exchange with other stakeholders – including politically or socially committed groups, opinion leaders and experts, citizens, representatives of the business community as well as Non-Governmental Organisations (NGOs). Together with stakeholders, the Mercedes-Benz Group is accompanying the opinion-forming process at the national and international level in order to advance sustainable business goals and the transformation of the automotive industry. The Group also discusses relevant future issues with them that go beyond the core automotive topics and incorporates the results into its strategy.

↗ Trusted Partner – Involvement in sustainability initiatives and associations

In a workshop at the "Sustainability Dialogue 2023" in Stuttgart (Germany), the representatives of the Advisory Board for Integrity and Sustainability as well as from politics, business and NGOs developed criteria for effective partnerships that can have a more global degree of application and can therefore be more effective.

↗ Sustainability management – The Sustainability Dialogue

In order to facilitate political discussions with a broad spectrum of stakeholders, representatives of the Mercedes-Benz Group take part in key events at regional, national and international level. The External Affairs unit, which is responsible for political dialogue, also organises its own events on specific occasions and topics. The following is a selection of events from the reporting year:

- As part of the External Affairs discussion series "Regional Political Dialogue" in Stuttgart (Germany), Board members of the Mercedes-Benz Group discussed necessary steps for the transformation of the automotive industry with representatives from state and local politics.

- At the seventh annual event of the "Strategiedialog Automobilwirtschaft Baden-Württemberg" in Berlin (Germany), politicians and leading representatives from Baden-Württemberg's automotive sector advised on the necessary framework conditions for a successful transformation of the automotive industry

towards future-oriented mobility solutions. This major challenge will only succeed if business and politics focus on a joint future and transformation agenda. The CEO of the Mercedes-Benz Group reaffirmed the Group's intention to fulfil the growing global demand for individual mobility in a sustainable manner.

- In the reporting year, representatives of the Group took part in the "Urban Future Global Conference" in Stuttgart (Germany) – Europe's largest conference for sustainable cities with over 2,000 participants from 70 countries. Items on the agenda at the conference included resource-conserving consumption, heat-resilient urban districts, climate-neutral energy supply and social participation.

- In the reporting year, the Mercedes-Benz Group took part in the "European Round Table of Industry" (ERT) – an association of around 50 large European companies. The aim of the forum is to develop long-term business-friendly strategies in cooperation with the European Commission.

- The "China Development Forum" (CDF) is an annual international forum organised by the State Council of China. The aim of the forum is to strengthen communication between China and the world. At the CDF, the CEO of the Mercedes-Benz Group emphasised the importance of further implementing China's open-door policy and balanced data regulation in order to ensure economic growth and technological innovation.

The Mercedes-Benz Group engages in targeted exchanges with stakeholders from politics and society from the surrounding area when planning new projects or dealing with site-specific issues. Board members are also involved in the local dialogue. One of the goals is to reconcile the interests of the locations with the concerns of the people in the neighbourhood and to create favourable framework conditions for all sides.

Governance

GRI 3-3

The department of External Affairs is the central coordinating body for dialogue with national and international policymakers as well as other politically relevant interest groups along the value chain. It is located in Stuttgart (Germany) and falls under the purview of the Chairman of the Board of Management.

Dialogue on various topics is conducted with the Advisory Board for Integrity and Sustainability. Feedback from the Advisory Board members is incorporated into the planning. In addition, the department's activities and analyses are a regular part of the Board of Management's reports to the Supervisory Board of the Mercedes-Benz Group. External Affairs shapes the relations of the Mercedes-Benz Group via a global network with offices in Berlin (Germany), Brussels (Belgium), Beijing (China) and Washington (USA), as well as via representatives in the respective markets.

The department ensures that the positions shaping the Group's advocacy work are in line with the objectives and content of the sustainable business strategy of the Mercedes-Benz Group as well as with its guidelines and other public statements. The aim is to provide Group-wide coordinated content for political advocacy and to address target groups in a coordinated manner, for example through our own events.

↗ Trusted partner – Dialogue with stakeholders

The Head of External Affairs is a permanent member of the Group Sustainability Committee (GSC) and supports the committee's work on political issues. External Affairs also coordinates closely with the members of the Board of Management and specialist units on political advocacy issues. To this end, the department organises meetings of the Governmental Affairs Committee for various Board of Management divisions and specialist units. These meetings are held several times a year, both regularly and on an ad-hoc basis.

The Mercedes-Benz Group addresses risks related to political advocacy in compliance processes that are anchored throughout the Group. Complaints and reports regarding compliance issues are received by the Business & People Protection Office (BPO) whistleblower system.

↗ Compliance management –
The Whistleblower System BPO

To ensure that the employees of the Mercedes-Benz Group comply with legal requirements and internal Group policies, the Group conducts mandatory training sessions on a regular basis. The Integrity, Governance and Sustainability management division is responsible for the content of the training courses. External Affairs supports these courses with its political expertise as needed.

↗ Compliance management – Communication and training

Employees working outside of External Affairs who represent Mercedes-Benz in the political environment of their respective markets in their role – for example as plant managers – are generally qualified for their tasks at the beginning of their employment in a special onboarding session and are made aware of relevant guidelines.

Party donations and political contributions

GRI 201-4 GRI 415-1

The responsible handling of contributions, party donations and other instruments for political lobbying is regulated in the Mercedes-Benz Group Policy "Lobbying, Political Contributions and Party Donations Policy". Among other things, it stipulates that employees of the Mercedes-Benz Group and consolidated Group companies that represent political interests and are not organisationally subordinate to External Affairs must register with External Affairs.

In addition, the "Sponsorships and Donations Policy" applies. This policy states that any monetary donations to political partners above a net value of € 50,000 and any donations in kind to political partners above a gross value of € 50,000 must be approved by the full Board of Management of Mercedes-Benz Group AG. Political contributions must be assessed by External Affairs regardless of their amount. Employees can find the policies in the policy database on the Social Intranet.

In the reporting period, Mercedes-Benz Group AG did not make any donations, either monetary or non-monetary, to parties. This decision was made independently of current political or economic events. The focal points of the activities in the area of Corporate Citizenship were in other areas.

The receipt of public funding by the Mercedes-Benz Group in Germany can be viewed in the Lobby Register of the German Bundestag. The receipt of public funding within the European Union (EU) can be viewed in the EU Transparency Register.

Measures and results

Positioning and measures on particularly relevant topics

GRI 3-3

For the Mercedes-Benz Group, discussions with political decision-makers are primarily about finding sustainable solutions to social challenges. The Mercedes-Benz Group also publishes further information regarding its positionings on relevant and strategic political issues as well as issues affecting its stakeholders on the Group website. They were updated during the reporting year. The Mercedes-Benz Group also summarises its most important political positionings and the resulting measures for credible and trustworthy political advocacy in the annually updated Mercedes-Benz Group Climate Policy Report.

Based on the materiality analysis and field observations in discussions and dialogue events with stakeholders, the Mercedes-Benz Group has identified the topics that are material to it. Depending on the assessment of materiality, the potential risks and implications for the Group were presented to the relevant specialist units and committees. Appropriate risk mitigation measures were then taken jointly. In accordance with the new reporting requirements of the delegated act of the European Sustainability Reporting Standards (ESRS), the Mercedes-Benz Group is redefining the process for identifying material topics in the political arena and for assessing the impact on the sustainable business objectives for the coming reporting year.

The positionings, implications, opportunities, risks and measures from the 2023 reporting year are explained below.

Climate protection and adaptation to climate change
The Mercedes-Benz Group supports political efforts to protect the climate, particularly with regard to renewable energies (decarbonisation of production) and sustainable logistics (climate protection in the supply chain). To this end, the Group has defined various sub-targets, including measures and projects to achieve them.

The Mercedes-Benz Group is consistently pursuing the goal of contributing to reducing CO_2 emissions and has enshrined this in its sustainable business strategy. This goal can be found in “Ambition 2039”. The entire new vehicle fleet is to be net carbon-neutral[1] across all stages of the value chain from 2039. Mercedes-Benz Cars and Mercedes-Benz Vans are creating the necessary requirements to become fully electric. Market conditions and customers’ wishes determine the pace of the transformation. Mercedes-Benz Cars and Mercedes-Benz Vans are preparing to be able to fulfil various customer wishes, be that a fully electric drive or a combustion engine, and to do so into the 2030s where necessary.

Together with partners, a resource-saving logistics concept is to be made possible and improved framework conditions ensured by means of strategic partnerships and political advocacy. One example is the cooperation with the International Consolidation Center (ICC) in Bischweier (Germany). Once planning permission has been granted, a central logistics centre for the global production network of Mercedes-Benz AG is to be built in cooperation. The aim is to create a more sustainable logistics concept, for example by bundling and consolidating deliveries, pre-assembling certain components or using electrified local transport vehicles. With the help of large-scale photovoltaic systems, the e-trucks on the site can be charged with electricity during the loading and unloading process. Aspects of environmental compatibility and more sustainable resource utilisation already played a decisive role in the planning of this project.

↗ Climate protection in production – Purchase of green electricity and expansion of renewable energies

↗ Climate protection in the supply chain

The Mercedes-Benz Group welcomes all political activities worldwide that accelerate the transformation of the energy sector. The aim is to harmonise regulations across regions and countries and to enable rapid support for the expansion of renewable energies through German federal and state policy or the EU – in the form of loans, for example.

Furthermore, the Mercedes-Benz Group aims to secure the long-term availability of renewable energies at its own locations. With its political advocacy, the Group locally supports the initiation and conclusion of corresponding 👁 Power purchase agreements (PPA) with various utility companies. A wind farm is currently being planned in Papenburg (Germany) in cooperation with the company UKA (Umweltgerechte Kraftanlagen GmbH und Co. KG). To this end, representatives of the Group engaged in dialogue with local political stakeholders in 2023.

Emission reduction
European legislators agreed on new Euro 7 emission standards in December 2023 to reduce the amount of harmful substances released into the air. Among other things, this includes limit values for brake wear. This should further reduce emissions from new vehicles. The configuration of the technical file is to be continued in 2024. The standard is also intended to help achieve the stricter air quality standards proposed by the European Commission in October 2022.

The Mercedes-Benz Group supports regulatory requirements that demonstrably contribute to improved air quality. At the same time, it emphasises that the resulting measures must be affordable for the automotive industry in terms of time and cost. For example, there should be an appropriate lead time to develop and introduce the necessary technological solutions for

1 Net carbon-neutral means not causing any CO_2 emissions and compensating any CO_2 emissions that do occur through certified projects to offset emissions.

comprehensive use. The Group is committed to technical feasibility and legal certainty through technical discussions with stakeholders and its work in associations.

↗ Climate protection

↗ Air quality

Resource conservation

The preservation of biodiversity is currently considered one of the greatest challenges. The Mercedes-Benz Group also sees itself as having a responsibility here, as it uses land and resources and has an impact on the environment due to its production processes. This can have an impact on biodiversity. The Biodiversity Policy published by the Mercedes-Benz Group in the reporting year serves as a guideline for the Group's actions in relation to biodiversity. The Mercedes-Benz Group supports the objectives of the UN's International Convention on Biological Diversity. Furthermore, the Group wants to anchor the circular economy across all stages of the value chain. This creates the opportunity to reuse valuable and scarce raw materials and reduce the ecological footprint of products in the long term.

The Mercedes-Benz Group welcomes the draft legislation presented by the European Union in the reporting year to strengthen the circular economy. The Group has set itself the goal of increasingly decoupling its resource consumption from growing production output and is pursuing the holistic "Design for Environment" approach: it wants to incorporate circular economy principles into product development right from the start, for example in the composition of the materials used. The Mercedes-Benz Group is also involved in circular economy initiatives such as the German government's "Round Table on the National Circular Economy Strategy". It is also involved in various associations on the subject, e.g. the German Association of the Automotive Industry (VDA) and the European Automobile Manufacturers' Association (ACEA). Through its association work, the Group is contributing its technical expertise to the EU legislative process for the circular economy.

With the Delegated Act of the European Sustainability Reporting Standards (ESRS) adopted in July 2023, the European Union is focusing on the protection of biodiversity, among other things. The Mercedes-Benz Group supports realisable, comparable and target-oriented standards – also with regard to sector-specific requirements: External Affairs is monitoring the current development of these guidelines on behalf of the Group and contributed its expertise as required in the reporting year.

More sustainable urban mobility

More environmentally friendly, safe, generally accessible mobility is one of the prerequisites for a high quality of life in cities. To make this possible, intelligent systems are needed in order to link and coordinate the use of all modes of transport. A particular mode of transport should preferably be used where it offers the most benefits.

For reliable, locally emission-free individual mobility in urban areas, the public charging infrastructure in cities and on main transport axes must be expanded.

The transformation of mobility in cities is a task for society as a whole. This is why the Mercedes-Benz Group is involved in the VDA's German Plattform Urbane Mobilität (PUM), among other things, and works on the Agora Verkehrswende Council. On this platform, representatives of industry and cities discuss urgent aspects of the mobility transformation and cooperatively derive measures. In the reporting year, the Group sponsored the international "Urban Future" congress in Stuttgart (Germany), where the Group's CEO called for an open dialogue on future urban mobility.

↗ More sustainable urban mobility

A universal charging infrastructure is needed, especially across the region. Its expansion must keep pace with the growing number of electric vehicles in order to increase the appeal and user-friendliness of electric drive and make this a real alternative to the conventional combustion engine. The Mercedes-Benz Group therefore welcomes the Alternative Fuels Infrastructure Regulation (AFIR) adopted in autumn 2023. The AFIR obliges all EU member states to provide charging infrastructure.

↗ Climate protection in vehicles and services – Charging infrastructure and digital charging services

Traffic safety
Vehicle and traffic safety have been, are and will remain focal points in the development of Mercedes-Benz vehicles. The Mercedes-Benz Group is helping to set the framework for improvements in traffic safety, for example through automated driving.

Assistance systems and automated driving can help to make road traffic safer and take the strain off drivers. The Mercedes-Benz Group is committed to further developing the legal framework for the use of assistive and automated driving systems and harmonising it across borders. The Group is taking a leading position in the development and introduction of suitable technologies for this purpose and is striving to expand the range of possible applications responsibly. It also welcomes the EU Commission's "Vision Zero", whereby road deaths on Europe's roads are to be virtually eliminated by 2050.

In addition, the Mercedes-Benz Group is also participating in the Verification and Validation Methods (VVM) research network for SAE Level 4 and 5 automated vehicles.

↗ Vehicle and environmental safety – Assistance and safety systems

↗ Automated driving

Data responsibility
The "Regulation on harmonised rules for fair access to and use of data" (Data Act) adopted by the EU aims to enable more and better use of data in different areas of life in future.

The Mercedes-Benz Group is generally in favour of the exchange of vehicle data. However, this must also be done in the interests of customers and generate added value for them. Data sovereignty and the informational self-determination of drivers are the basis for the handling of personal data by the Mercedes-Benz Group.

The use of vehicle data can also serve the common good and create added value for society. The Mercedes-Benz Group supports this approach in that vehicle data is used in a way that is compliant with data protection to identify accident black spots or dangerous road conditions, for example.

The Group pursues a holistic approach in order to fulfil its data responsibility. In addition to legal aspects, this also includes cultural and organisational considerations, which are summarised under the term "Data Governance".

Data responsibility also includes protecting data that contains business secrets or is relevant to cybersecurity. The EU Data Act supports this protection. In the case of data relating to business secrets, the authorised data recipient must take appropriate measures to ensure that this data is not misused. Data relevant to vehicle cyper security must not be passed on to third parties.

The Mercedes-Benz Group is committed to maintaining the competitiveness of the European automotive industry as well as protecting trade secrets and vehicle data through its involvement in association committees.

Respect of human rights
For the Mercedes-Benz Group, respect of human rights is a fundamental component of responsible corporate governance and is anchored in its sustainable business strategy. It is its aspiration and a concrete goal that human rights should be respected in all Group companies and observed by suppliers.

In February 2022, the EU Commission presented a legislative proposal on rules for respecting human rights and the environment in global value chains: the EU Directive on due diligence in relation to sustainability. Similar to the German Supply Chain Due Diligence Act (LkSG) of July 2021, the EU law aims to prevent abuse of the environment and human rights in companies' value chains. The Mercedes-Benz Group has welcomed the introduction of the German LkSG and also supports EU-wide regulations if they serve the actual purpose of improving human rights and environmental aspects and are drafted with a sense of proportion. Above all, this means that they are realisable and do not impair international competitiveness.

The Mercedes-Benz Group also promotes respect of human rights through its policy initiatives and partnerships. At the same time, it is further developing the Group's own Human Rights Respect System (HRRS) and adapting the related internal processes to enhanced corporate due diligence requirements.

↗ Social Compliance – Human Rights Respect System

Involvement in sustainability initiatives and associations

GRI 2-28 GRI 3-3

The External Affairs department is responsible for direct dialogue with people from the political arena and members of interest groups and associations that are committed to sustainable development. Together with the ESG Stakeholder Management department, External Affairs is also involved in various sustainability initiatives and networks. This includes in particular the UN Global Compact (UNGC), which the Mercedes-Benz Group supported in April 2023 as a founding member of the new association UN Global Compact Netzwerk Deutschland e. V. The Mercedes-Benz Group is also particularly involved in econsense – Forum Nachhaltige Entwicklung der Deutschen Wirtschaft e. V. (Sustainable Development of German Business) and the World Business Council for Sustainable Development. The Mercedes-Benz Group's commitments with these engagements also serve as guiding principles in the representation of interests.

Among the associations, the memberships in the European Automobile Manufacturers' Association (ACEA), the Alliance for Automotive Innovation and the German Association of the Automotive Industry (VDA) should be emphasised.

The Mercedes-Benz Group is convinced that associations play a key role in the political opinion-forming process. As a point of contact for politicians, they also fulfil an important political role for the entire automotive industry. The Mercedes-Benz Group therefore uses its platforms to engage with policy-makers and other stakeholders.

Associations represent different industry positions: some are very ambitious, others are moderate, and in some cases they represent only the lowest common denominator of an industry made up of competitors with sometimes very different business strategies. However, the coordinating function of associations is always of high importance – not only for the position of the industry, but also for data collection and for the provision of information for policy-makers and regulatory authorities.

The effectiveness of dialogue and active participation is particularly evident in the debate on draft legislation and political projects at the association level: through its association work, the Mercedes-Benz Group ensures that the legitimate interests of the Group can be taken into account in the legislative process, and it can also address future regulations at an early stage and set the appropriate strategic course. This gives companies and politicians the opportunity to develop concepts for the sustainable transformation of the automotive industry.

In addition, the associations play a crucial role in initiating and steering joint activities. For example, they can play an important role in the development of charging infrastructure by arranging self-commitments.

Further information on the association's work can be found in the Mercedes-Benz Group Climate Policy Report.

↗ Further Information –
Memberships, associations and initiatives

↗ Social compliance –
Industry Associations, initiatives and standards

ENVIRONMENT

Climate protection

Materiality and goals

GRI 3-3

Target	Target horizon	Status as of 2023
Climate protection		
A fleet of new Mercedes-Benz vehicles that is net carbon-neutral along all stages of the value chain	2039	According to plan
Climate protection for vehicles		
Reduction of the CO_2 emissions per car in the new vehicle fleet up to 50% along all stages of the value chain[1,2]	By the end of the decade	According to plan
Increase the proportion of electrified[3] vehicles in the fleet of new vehicles at Mercedes-Benz Cars to as high as 50%[1]	In the second half of the decade	20%
Electrify all new vehicle architectures[1,3]	In the second half of the decade	According to plan
Offer an electrified[3] variant for every model from Mercedes-Benz Cars[1]	In the second half of the decade	According to plan
Offer an electrified[4] alternative for every model from Mercedes-Benz Vans	2025	Target achieved
Increase the proportion of electrified[4] vehicles in the fleet of new vehicles at Mercedes-Benz Vans to more than 50%[1]	By the end of the decade	5%
Climate protection in the supply chain		
All production materials procured by Mercedes-Benz Cars and Mercedes-Benz Vans are net carbon-neutral	2039	84% of suppliers[5]
Climate protection in production[6]		
Reduction of CO_2 emissions (Scope 1[7] and 2[8]) by 80%[9]	2030	According to plan
Increase the share of energy from renewable sources to cover 100% of energy consumption	2039	According to plan
Milestone: increase the share of energy from renewable sources to cover energy consumption – Cars: 70% – Vans: 80%	2030	According to plan

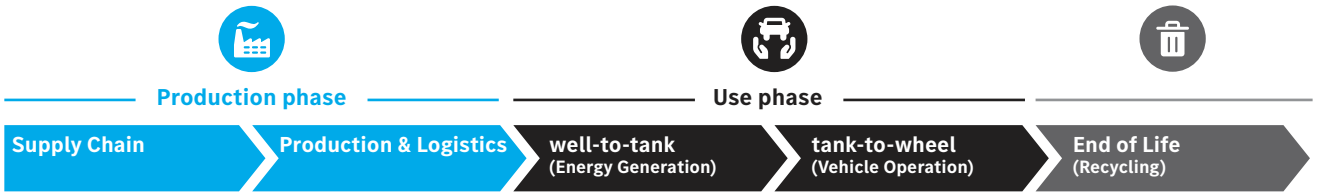
1 The pace of transformation is determined by market conditions and customers.
2 Compared to 2020 (value chain stages: procured goods, production, logistics, fuel and energy generation, driving operation, disassembly and treatment processes).
3 Plug-in hybrids and all-electric vehicles.
4 All-electric vehicles.
5 Measured on the basis of the annual procurement volume that, in turn, is based on target figures updated monthly; guaranteed by means of signatures.
6 In addition to the production sites of the consolidated subsidiaries, the production sites of the following non-consolidated subsidiaries are included: Star Transmission srl (Cugir, Romania), STARKOM, proizvodnja in trgovina d.o.o. (Maribor, Slovenia) and STARCAM s.r.o. (Most, Czech Republic).
7 Scope 1 emissions are direct CO_2 emissions from sources for which the company is directly responsible or that it directly controls.
8 Scope 2 emissions are indirect CO_2 emissions from purchased energy such as electricity and district heating that are generated externally but consumed by the company.
9 Compared to 2018.

As a player in the transport sector, the Mercedes-Benz Group supports the Paris Climate Agreement: it is convinced of the objectives of the agreement and endeavours to implement them in all its divisions. Around one fifth of greenhouse gas emissions in Europe are caused by the transport of people and goods by road. The Mercedes-Benz Group is taking deliberate measures to counteract this trend and has made climate protection a key element of its business strategy. The Group's ambition is to make the entire Mercedes-Benz new vehicle fleet net carbon-neutral[1] across all stages of the value chain by 2039.

To achieve this, the Mercedes-Benz Group is transforming its products and the services that are the mainstay of its business. In the same way, the Group takes climate protection into account in all lifecycle phases of its automobiles – from the supply chain and its own production to the use and disposal of the vehicles. The Mercedes-Benz Group sets itself ambitious targets for CO_2 reduction in the individual phases, and systematically analyses the resulting CO_2 emissions and other environmental impacts along its entire value chain.

1 Net carbon-neutral means that no CO_2 emissions are created or any resulting CO_2 emissions are offset by certified compensation projects.

Net carbon-neutrality along the value chain



The Group's goal is to reduce CO_2 emissions per car across the entire value chain up to 50% by the end of this decade, compared to 2020 (2023: 46.3 tonnes per vehicle[2]). The goal of reducing the CO_2 emissions of the Mercedes-Benz new vehicle fleet during the use phase (well-to-wheel) by more than 40% compared to 2018 has been confirmed by the Science Based Targets initiative (SBTi).

The most important levers for reducing CO_2 emissions in the vehicle sector are electrification of the vehicle fleet, charging with green electricity, improving battery technology, decarbonising the supply chain and the comprehensive use of renewable energies in production.

The Mercedes-Benz Group has confirmed its goal of improving the framework conditions for decarbonising the economy and society worldwide through its membership in the initiatives "The Climate Pledge" and "Transform to Net Zero" since 2020.

The Mercedes-Benz Group assesses potential climate-related risks and opportunities on the basis of various future scenarios. To identify and assess these risks, it differentiates between various types of risk as part of a scenario analysis:

Transitory climate risks are related to the transition to a low-carbon economy and result from changes in political framework conditions, technological developments and changing markets. In order to obtain a sound basis for its analyses, the Mercedes-Benz Group examines generally recognised scenarios such as the "Net Zero Emissions by 2050 Scenario" (NZE) and the "Sustainable Development Scenario" (SDS) of the International Energy Agency (IEA). Based on the risk dimensions defined in the Task Force on Climate Related Financial Disclosures (TCFD), the following conclusions can be drawn as examples.

Technological development: The analysis of the NZE scenario in particular reveals a significant increase in the share of electric vehicles in the global sales market. Based on the scenario data, a potential risk of losing market share is identifiable if companies are unable to meet this increasing demand. With their orientation as part of "Ambition 2039", Mercedes-Benz Cars and Mercedes-Benz Vans are taking the necessary steps to go all-electric.

Market: Commodity markets have always been volatile, especially against the backdrop of ongoing geopolitical tensions and global crises. The global transformation and digitisation are also leading to increased demand for various battery raw materials, resulting in volatile prices, some of which are also experiencing multiplication owing to speculation. The Mercedes-Benz Group pursues a strategy for all directly and indirectly sourced raw materials that secures requirements in the long term and minimises supply risks. The focus is on the relevant battery materials, among other things. There are various models for the procurement of raw materials. One example is the strategic partnership with Rock Tech Inc., which is currently building a refinery for lithium hydroxide in Guben (Germany).

2 related to the vehicle life cycle (value chain stages: procured goods, production, logistics, fuel and energy generation, driving operation, disassembly and treatment processes).

Regulatory and political parameters: Increasing regulatory requirements can lead to technical or financial challenges. Among these, regulations covering vehicle emissions and fuel consumption play an important role. For example, every manufacturer in the EU has to achieve an individual CO_2 target for its new car fleet, and this increases over time. Target achievement is regularly reviewed and is achieved through the development of highly efficient combustion engines as well as purely battery-powered electric vehicles and plug-in hybrids. Thanks to early investment in flexible production and the use of a state-of-the-art production system, Mercedes-Benz can produce fully electric vehicles (Battery electric vehicles – BEV) on a large scale and service the market with various drive technologies.

Long-term physical risks resulting from climate change are impacts that arise in connection with the increasing intensity of extreme weather events and changes in climatic conditions, such as flooding or temperature increases. In order to examine potential physical, climate-related risk factors, a climate risk analysis was carried out on the basis of significant climatic dangers. The recognised scenarios of the Intergovernmental Panel on Climate Change (IPCC) SSP2-4.5 and SSP5-8.5 and various time horizons were taken into account. Based on the results, adaptation measures were analysed at relevant locations, including e.g. structural reinforcements to buildings and the construction of reservoirs.

Climate protection in vehicles and services

Strategy and concepts

All-electric future

GRI 2-23

The Mercedes-Benz Group sees the complete electrification of its product range as the most important lever for achieving net carbon-neutrality across all stages of the value chain by 2039. As before, the Mercedes-Benz Group is aiming to shape the transformation towards a software-driven and fully electric future. With regard to its strategy, the Mercedes-Benz Group is staying focused and tactically flexible. In line with this, the Mercedes-Benz Group has partially adjusted the targets and target corridors for electrification based on market conditions and customer needs. Mercedes-Benz Cars and Mercedes-Benz Vans are taking the necessary steps to go all-electric. Customers and market conditions will set the pace of the transformation.

Mercedes-Benz Cars and Mercedes-Benz Vans plan to be in a position to cater to different customer needs, whether it's an all-electric drivetrain or a combustion engine, until well into the 2030s.

CO_2 emissions are not only produced during the manufacture of components for fully electric vehicles, but also during the generation of the charging current. The more charging current comes from renewable sources, the more climate-friendly fully electric vehicles are. Against this backdrop, the "Green Charging" initiative is a further step on the road to net carbon-neutral mobility: with this, the Mercedes-Benz Group enables its customers to charge their vehicles with green electricity. Through the use of certificates of origin, it is ensured that an equivalent amount of electricity from renewable sources is fed into the power grid for the charging processes.

↗ Climate protection for vehicles and services – Green charging with Mercedes me Charge

The Mercedes-Benz Group already confirmed its intention to accelerate the transition to electromobility at the UN Climate Change Conference COP26 in November 2021. In the "COP26 declaration on accelerating the transition to 100% zero emission cars and vans" it has joined forces with other companies, cities and governments to work towards a net carbon-neutral transport system of the future.

Regulatory framework for the decarbonisation of transport

GRI 3-3

For Mercedes-Benz Cars and Mercedes-Benz Vans, there are legal regulations covering binding targets for the average fleet consumption and CO_2 emissions for

new vehicle fleets. The high-volume markets in China, Europe and the USA are particularly regulated. However, such fleet regulations may not be seen as standalone solutions. In all three core markets, far-reaching CO_2 reduction targets for the road transport sector have already been adopted in legislation through the respective CO_2 and GHG new vehicle fleet regulations. These can be achieved by concerted electrification of the new vehicle fleet. Effective and ambitious fleet regulations must be complemented by coherent policy measures such as promoting the development of the charging infrastructure and the expansion of renewable energies. In addition, further factors such as fiscal and non-fiscal incentives are required. The Mercedes-Benz Group is therefore committed to a political and regulatory framework that accelerates the transition to net carbon-neutral mobility. This also includes gradually integrating the transport sector into emission trading.

Environmental aspects in product development

GRI 3-3

The Mercedes-Benz Group has set itself the goal of developing products that are especially environmentally friendly and energy-efficient in their respective market segments. The company's own environmental and energy guidelines set out how it intends to achieve this goal. The Mercedes-Benz Group sets itself clear targets and has defined corresponding metrics that indicate how successful it is in achieving them. This applies to every series and to every individual product. Product development plays a key role in this regard: The impact of a vehicle on the environment – and thus the CO_2 emissions it causes – is largely determined in the early stages of development. The earlier the Mercedes-Benz Group takes environmental aspects into account, the more efficiently it can reduce the ecological impact of its vehicles. In order to utilise this reduction potential, the Mercedes-Benz Group therefore applies market-specific internal CO_2 transfer prices in product development. Based on these CO_2 transfer prices, product development monetises and evaluates measures to reduce CO_2 emissions when driving, and to increase the energy efficiency of its vehicles in order to ensure that CO_2 targets are achieved cost-effectively.

Responsibilities and data transparency

GRI 2-24 GRI 3-3

An interdisciplinary team of environmental experts and specialists in procurement, development, logistics, production, strategy and sales is working at the Mercedes-Benz Group to make the new vehicle fleet net carbon-neutral by 2039. It monitors CO_2 emissions and controls reduction measures.

Firstly, this concerns CO_2 emissions during driving – the so-called tank-to-wheel emissions. Since 2008, the Product Strategy CO_2 unit has ensured that ambitious consumption and portfolio measures are implemented in good time and to best economic effect. A key lever for this is electrification of the vehicle fleet. It not only makes it possible to fulfil the demanding fleet targets in the corresponding regulated markets, but also serves to achieve the targets set by the Mercedes-Benz Group itself as part of its "Ambition 2039".

The Board of Management of the Mercedes-Benz Group is responsible for setting and reviewing strategic targets, including those for reducing CO_2 emissions. The Product Steering Board (PSB) at Mercedes-Benz Cars is responsible for the passenger car fleet. In particular, it monitors how CO_2 emissions are developing in comparison with the statutory targets in CO_2-regulated markets. The PSB is assigned to the Committee for Model Policy and Product Planning (AMP).

At Mercedes-Benz Vans, compliance with the CO_2 fleet limits for the van fleet is ensured by the Business Unit and Product Strategy department, which reports regularly to the Van Executive Committee.

The AMP and the Van Executive Committee regularly report to the Board of Management of the Mercedes-Benz Group on the development of CO_2 emissions. The Board of Management then decides on the requisite measures. On the market side, price and volume control measures can also have an impact on whether the CO_2 targets are achieved.

The responsibility for ensuring that the climate protection targets are implemented is distributed across several corporate units and Board of Management members: at vehicle level, the development departments of the vehicle divisions are responsible; for passenger cars and vans, these are the Powertrain Product Group development department and the vehicle product groups as well as Mercedes-Benz Vans Development. In each current year, the sales unit manages the achievement of the CO_2 target. At the level of the production plants and the company's own-retail outlets, the responsible Board of Management member for Mercedes-Benz Cars and the responsible management member of Mercedes-Benz Vans is responsible. The Mercedes-Benz Group monitors implementation as part of Group management.

Monitoring

The effectiveness of the measures with which the Mercedes-Benz Group intends to achieve the targets of its "Ambition 2039" is evaluated on the basis of internal and external performance assessments: to this end, the Group conducts internal audits at departmental level several times a year. It has the results audited externally by an auditing company.

"Ambition 2039" concerns all CO_2 emissions generated during the lifecycle of a vehicle. For example, the Environmental Protection unit calculates the CO_2 emissions of all model series and drive systems at Mercedes-Benz Cars and Mercedes-Benz Vans. Procurement works with suppliers to make the supply chain net carbon-neutral. The logistics experts address emissions from the supply of goods, distribution and delivery to distribution centres. Their goal is to avoid shipments as much as possible and to optimise routes and transport systems. In addition, the teams apply additional measures for net carbon-neutrality, e.g. in production or with customised charging concepts.

To enable comprehensive recording and control of the CO_2 contribution of the individual units, data transparency over the entire lifecycle is the key factor: for this purpose, the Mercedes-Benz Group has developed an internal monitoring tool for CO_2 calculation. This makes it possible to track progress towards CO_2 targets down to component level – and for the first time to precisely identify climate-relevant emissions. At the same time, the fleet level can also be analysed. The CO_2 monitoring tool provides two central perspectives on climate protection activities: firstly, the strategic view of management and investors; this looks at the annual development of CO_2 emissions of all vehicles sold and shows whether the Mercedes-Benz Group is on target. Secondly, the detailed view of the design engineers and procurement personnel within the model series support function; with the aid of the tool, they can e.g. ascertain what emissions are currently attributable to the battery of an EQS model, and by what percentage this value must be reduced with regard to the company's own CO_2 targets.

Further development through dialogue

In order to review its management approach and adapt it if necessary, the Mercedes-Benz Group engages in dialogue on the topic of climate protection and uses the findings obtained: in its annual "Sustainability Dialogue" it conducts an intensive dialogue with environmental institutes and non-governmental organisations (NGOs). In addition, the topic of climate protection is an integral part of regular Board of Management meetings; current developments are discussed with the Advisory Board for Integrity and Sustainability. Politicians, the general public and other stakeholders of the Mercedes-Benz Group also provide the company with regular feedback on how the company's own sustainability goals are perceived and assessed.

CO_2 emissions along the entire value chain

GRI 305-1/-2/-3

To be able to assess how environmentally friendly a vehicle is, Mercedes-Benz Cars prepares lifecycle assessments as part of a 360° environmental check: it systematically analyses the resulting CO_2 emissions and other environmental impacts along the entire value chain of a vehicle. These analyses have revealed the following, for example: as more and more vehicles are electrified, the focus is shifting towards other factors such as production of the high-voltage battery and generation of the electricity for charging the battery.

The Mercedes-Benz Group collects and publishes the necessary key figures for balancing CO_2 emissions at Group level in accordance with the principles of the Greenhouse Gas (GHG) Protocol.

↗ Climate protection for vehicles and services – Calculation and documentation of CO_2 emissions

Measures and results

Electrified product range at Mercedes-Benz Cars

The Mercedes-Benz Group aims to expand its range of electric vehicles even faster. It is therefore strongly committed to research and development.

The Mercedes-Benz Group is consistently following electrification of all model variants and vehicle types as its clear target. However, there are still obstacles to overcome that require efforts on the part of the business community: for example, the charging infrastructure must not lag behind the demand. The growth rate of renewable energies may also be too slow. Moreover, the workforce must be trained in new software and drive technologies. All newly introduced vehicle architectures are to be electrified in the second half of the decade. At the same time, highly efficient and low-emission combustion engines and plug-in hybrids (Plug-in Hybrid Electric Vehicles – PHEVs) complement the product portfolio and therefore make another important contribution to the decarbonisation of transport.

The Mercedes-Benz Group has been offering fully electric vehicles since 2018. The Mercedes-Maybach EQS SUV was presented in the reporting year. With this, the Mercedes-Benz Cars portfolio comprised nine fully electric models in 2023.

Concept CLA Class – the electric and efficient future of Mercedes-Benz
With the Mercedes-Benz Modular Architecture (MMA), the Group developed a model platform primarily geared towards electric vehicles in the reporting period. It is specially designed for a vehicle family consisting of four models with different body variants. The MMA thus forms the basis for the Group's first vehicle segment to be developed in line with the principles of "Ambition 2039" from the outset. It is designed to reduce CO_2 emissions in the value chain across the entire MMA vehicle family by more than 40% compared to previous vehicle architectures.

At the beginning of September 2023, the Mercedes-Benz Group presented a new technology demonstrator developed as part of the MMA: the Concept CLA Class. This offers a near-series preview of what will be possible in the future in terms of efficiency and electric range. The Concept CLA Class is expected to have a range of more than 750 km (WLTP) and an energy consumption of around 12 kWh/100 km. This makes the Concept CLA Class the "one-litre car" of the electric segment. The technology with which the Concept CLA Class can achieve these values is based on the findings of the VISION EQXX technology programme. As part of this technology programme, additional measures were identified that further reduce the previous energy losses so that the new drive system – from the battery to the wheels – can achieve up to 93% efficiency on long-distance journeys.

Plug-in hybrids
Plug-in hybrids are also an important transitional technology on the road to a fully electric future. Mercedes-Benz Cars offers an efficient drive package for this purpose: more than 25 different model variants were available in the reporting year. This combination of an electric drive system and a combustion engine enables emission-free driving from time to time. The drive system – consisting of an electric motor and a high-voltage battery – can allow all-electric ranges that are sufficient for the majority of daily journeys. In the compact segment, ranges of over 70 km (WLTP-TML), in the luxury segment sometimes over 100 km (WLTP-TML) are possible. Mercedes-Benz Cars offers this technology for a wide range of vehicles, such as the A-, C- and E-Class as well as the GLA and GLC.

Share of electrified vehicles at Mercedes-Benz Cars
At Mercedes-Benz Cars, Group unit sales of electrified vehicles (xEV) increased globally by 21% in the reporting year in comparison to 2022. Overall, the proportion of electrified vehicles (xEV) at Mercedes-Benz Cars in the reporting year was 20% of Group unit sales worldwide. The share accounted for by fully electric vehicles (BEV) was 12% of Group unit sales worldwide.

Electrified vehicles Mercedes-Benz Cars		
	2023	2022
Worldwide		
Electrified vehicles (xEV)	**401,943**	333,490
Plug-in hybrid electric vehicles (PHEV)	**161,275**	184,263
Battery-electric vehicles (BEV)	**240,668**	149,227
MBC unit sales (total)[1]	**2,044,051**	**2,040,719**
Europe[2]		
Electrified vehicles (xEV)	**254,038**	236,678
Plug-in hybrid electric vehicles (PHEV)	**134,230**	142,022
Battery-electric vehicles (BEV)	**119,808**	94,656
MBC unit sales (total)[1]	**658,604**	**618,904**

1 Group sales Mercedes-Benz Cars (incl. smart).
2 European Union, United Kingdom, Switzerland and Norway.

Electrified product range at Mercedes-Benz Vans

The Mercedes-Benz Group is also convinced of the ecological and economic advantages of fully electric vans in the van business and has firmly anchored its claim to leadership in electromobility in its strategy. Mercedes-Benz Vans is thus also setting the course for a fully electric future: from 2026, all newly developed vans are to be exclusively electric.

All model series are already systematically electrified: body manufacturers and customers can choose a fully electric van in every segment – whether for commercial or private use. These include the eVito, the EQV, the eSprinter, the eCitan and the EQT (WLTP: combined energy consumption: 20.7 – 19.3 kWh/100 km; combined CO_2 emissions: 0 g/km CO_2 class: A).

Based on the Mercedes-Benz eSprinter, the SUSTAINEER technology platform combines many innovations for more sustainable delivery transport that improve the quality of life in cities, preserve the climate and the environment and enhance the safety and health of drivers and other road users.

↗ More sustainable urban mobility – More sustainable delivery traffic in cities

The new eSprinter

With the new eSprinter, Mercedes-Benz Vans continues to consistently implement its electrification strategy and emphasise its claim to leadership as “Lead in Electric Drive”. Efficiency and sustainability are important goals in the further development of the electric powertrain: for example, the division used a highly efficient permanent magnet synchronous motor (PSM) and an electric rear axle in a battery-electric van for the first time, allowing a permissible total weight of up to 4.25 tonnes for the first time. The cell chemistry of the high-voltage battery is based on lithium/iron phosphate (LFP). This made it possible to dispense with cobalt and nickel as raw materials. Active thermal management ensures a highly effective energy transfer in different system states.

The new eSprinter first rolled off the production line in Düsseldorf (Germany) in December 2023, with Charleston (USA) and Ludwigsfelde (Germany) to follow in 2024. Mercedes-Benz AG has invested around € 350 million in the new eSprinter, which is produced in a net carbon-neutral manner.

Share of electrified vehicles at Mercedes-Benz Vans

At Mercedes-Benz Vans, Group unit sales of electrified vehicles increased by 51% worldwide in the reporting year in comparison to 2022. The share of electrified vehicles accounted for 5% of worldwide Group unit sales in the reporting year.

Electrified vehicles Mercedes-Benz Vans		
	2023	2022
Worldwide		
Electrified vehicles (xEV)	**22,666**	15,003
MBV unit sales (total)[1]	**447,790**	**415,344**
Europe[2]		
Electrified vehicles (xEV)	**22,280**	14,847
MBV unit sales (total)[1]	**279,408**	**259,436**

1 Group sales Mercedes-Benz Vans.
2 European Union, United Kingdom, Switzerland and Norway.

Charging infrastructure and digital charging services

GRI 203-1

The Mercedes-Benz Group has set itself the goal of contributing to the electrification of individual mobility worldwide. In the Mercedes-Benz Mobility, Mercedes-Benz Cars and Mercedes-Benz Vans divisions, the Group is therefore continuously working on private and commercial charging solutions for the home, the workplace and public spaces. The ultimate goal is to offer customers the best charging experience in the industry in terms of reliability, convenience, sustainability and value retention.

Green charging with Mercedes me Charge

The Mercedes-Benz Group wants to specifically promote the use of electricity from renewable energies. To provide its customers with convenient and green charging, the Mercedes-Benz Group relies on a strong digital ecosystem including vehicle integration and innovative partnerships. For this reason, the Group has made "green charging" an integral part of its Mercedes me Charge charging solution in Europe, Canada and the USA.

With Mercedes me Charge, the Mercedes-Benz Group gives its customers access to one of the largest public charging networks in the world. The Group is continuously expanding this service, adding new charging stations and extending the use of the service to other countries. At the end of 2023, over 1.5 million AC and DC charging points were integrated worldwide. From 2024, Mercedes me Charge users will also have access to more than 12,000 Tesla Superchargers in North America.

Mercedes me Charge is fully integrated into the onboard digital services in all of the Group's fully electric vehicles and plug-in hybrids. In conjunction with the intelligent range assistant, these services make suitable route suggestions, taking into account the charging stations available along the route. This enables the service to offer customers a charging and driving experience that matches their preferences. At the same time, the range assistant takes over energy management in the vehicle and suggests time-saving charging stops in order to reach the destination as quickly as possible.

Where electricity from renewable energy sources is not yet available, "Green Charging" uses green electricity certificates which ensure that an equivalent amount of electricity from renewable energy sources is fed into the power grid for charging processes via Mercedes me Charge. This green electricity is supplied from energy generation plants (exclusively wind and photovoltaic) that are certified by the green electricity label EKOenergy. For every megawatt-hour of green electricity, EKOenergy contributes a fixed amount to a climate fund with projects to promote the expansion of new small-scale renewable energy plants in developing countries. This promotes additionality, i.e. additional benefits for the environment.

Green electricity, i.e. electricity from renewable energies, is an important factor in the value chain of an electric car so as to avoid CO_2 emissions. This is because around 50% of the CO_2 footprint of a fully electric vehicle – with the current EU electricity mix – is generated during the use phase, i.e. owing to CO_2-emitting charging processes. However, whether a public charging point draws green power or power from non-renewable sources is often not known. The charging point operator is responsible for providing the charging current. This is another reason why the Mercedes-Benz Group is expanding its activities in the area of charging networks, in order to ensure greater transparency with regard to the provision of green electricity.

Green charging in the Mercedes-Benz Charging Network

Alongside the development and production of electric vehicles, the Mercedes-Benz Group also wants to improve the framework conditions for the use of electric vehicles worldwide. To this end, the Group is planning to set up a global Mercedes-Benz charging network in North America, Europe, China and other key markets. With its own global charging network, the Mercedes-Benz Group seeks to set new standards for fast, convenient and green charging of electric vehicles. In October 2023, the first Mercedes-Benz Charging Hub went into operation in Chengdu (China), followed by two further charging hubs in Atlanta (USA) and Mannheim (Germany). By the end of the decade, more than 2000 charging hubs with over 10,000 charging points are to be created worldwide.

When selecting locations for its charging hubs, the Group prioritises a pleasant and safe customer experience. They are therefore easily accessible at major transport hubs. At selected locations, canopies provide protection from the weather; LED displays provide information on the availability of the charging point and the charging status of the vehicle.

The Mercedes-Benz Charging Network is open to drivers of all brands. It currently allows charging capacities of up to 400 kW, provided via the standard CCS1, CCS2, GB/T and, in future, NACS charging systems. Mercedes-Benz customers also enjoy special benefits via the Mercedes me Charge service integrated into the vehicles, e.g. a reservation function to reduce waiting times.

As part of the sustainable corporate strategy “Ambition 2039”, the Mercedes-Benz Group wants to enable its customers to charge with green electricity. This should preferably be achieved through green electricity supply contracts wherever possible, or by using green electricity certificates from accredited providers. The roofs of selected Mercedes-Benz Charging Hubs are also equipped with photovoltaic systems.

Joint ventures for more fast-charging networks in Europe and the USA

Within the scope of the IONITY joint venture, Mercedes-Benz AG is working to create a high-performance fast-charging network for electric vehicles in Europe. IONITY aims to safeguard private electric mobility by means of a standardised charging network along the most important pan-European routes, with the aim of speeding up the adoption of electric mobility in the market.

At the end of 2023, over 550 IONITY fast-charging parks were in operation. Each of these charging parks can have up to twelve or even more charging points. They are all powered by green electricity. As far as possible, this is to be ensured through contracts for the supply of green electricity or alternatively through green electricity certificates from accredited providers. The high charging power of up to 350 kW per charging point enables correspondingly designed vehicles to charge their batteries quickly. The approximately 3,000 charging points of IONITY are integrated into Mercedes me Charge and can be conveniently used via Plug & Charge. Simply plugging in the charging cable is enough to authenticate, start the charging process and pay – it is not absolutely necessary to use an app or charging card.

The number of IONITY fast-charging parks is set to rise to more than 1,000 across Europe by 2025. The intention is to build these near urban centres in future, and to equip some of them with canopies to ensure convenient charging even in changeable weather.

As part of a new joint venture, Mercedes-Benz AG is also participating in the development of a high-performance fast-charging network for electric vehicles in North America. The partners are six of the world’s leading automobile manufacturers. Together, they are pursuing the goal of enabling electrified private transport along the most important continental routes using a standardised charging network, thereby establishing electromobility in the market more quickly. Construction of the first fast-charging parks is scheduled to begin in 2024. The ambition is to build a network with at least 30,000 charging points that can also supply the most important Canadian routes and major cities. The declared aim is to operate the charging network exclusively with renewable energy. As with IONITY, this is to be guaranteed through supply contracts and green electricity certificates.

Flexible charging system Pro for EQ vehicles and plug-in hybrids

Compatibility is an important factor in advancing e-mobility worldwide. The Mercedes-Benz Group offers customers the flexible Pro charging system for this purpose. It has various adapters for private and public charging and can charge at up to 22 kW. The adapters can be connected to the charging system by means of Plug & Play. The system is also compatible with all BEVs and PHEVs that have a type 2 connection. Networking via an app (Mercedes-Benz Charger) is also possible in order to utilise additional functions.

Intelligent charging with the networked Mercedes-Benz Wallbox
For private charging, the Mercedes-Benz Wallbox is designed for a charging capacity of up to 22 kW[3]. As it is technically preconfigured for remote functions, customers are for the first time optionally able to start and stop charging processes via the Mercedes me App[4], monitor the present state of charge and view the charging history. The Mercedes-Benz Wallbox also has an integrated energy meter. It is also technically possible to receive software updates "over the air" via the customer's own Internet connection[5]. This makes the Wallbox particularly long-lived.

Charging infrastructure expanded at own locations
Mercedes-Benz AG is also continuously driving forward the expansion of the charging infrastructure at its own locations: it has put more than 7,000 charging points into operation since 2013. At the end of 2023, comprehensive charging facilities were available to employees. Mercedes-Benz AG is also planning to install more charging points in 2024. In addition, over 2,700 of the Mercedes-Benz charging points at the company's own locations will also be available to the public from the end of 2023.

With the "charge@Mercedes-Benz" project, the Group has been bundling its activities for the development of an intelligent charging infrastructure for all Group-owned properties in Germany since 2013. Mercedes-Benz AG not only equips car parks, multi-storey car parks and customer centres, but also its internal development test facilities and test sites. The Mercedes-Benz AG charging stations are supplied with 100% certified green electricity.

Services

A large part of the CO_2 emissions of cars with internal combustion engines is produced while driving. The Mercedes-Benz Group therefore wishes to support the users of its vehicles in adopting a climate-friendly driving style, and in making purchasing decisions in favour of locally emission-free vehicles. To this end, it offers a wide range of service solutions.

Interactive online advisory tools make it easier to decide in favour of e-mobility
The Mercedes-Benz Group offers a range of interactive advisory tools relating to electromobility on its website. These tools are designed to help potential customers better understand the benefits of electric vehicles and make an informed decision when choosing their next vehicle. The realistic presentation of various aspects of electric mobility should help to fulfil the customer's expectations of electric vehicles. The various tools are briefly presented below:

- **Range simulator:** The range simulator allows users to simulate the practical range of an electric vehicle under various conditions. Various outdoor temperatures and route profiles can be selected.

- **Charging time simulator:** The charging time simulator can be used to calculate the charging times for various charging options. Users can freely select the current and desired battery status, and thus obtain an overview of the required charging times.

- **Route planner:** The route planner calculates the required energy and necessary charging stops for freely selectable routes. Different outside temperature conditions can be simulated. An interactive map also provides users with an overview of the available charging infrastructure.

- **Cost and emissions calculator:** The cost and emissions calculator allows users to compare the running costs and CO_2 emissions of electric vehicles with those of combustion engine vehicles.

3 Depending on the manufacturer and vehicle, 22 kW charging may require the corresponding special equipment "AC charging system (AC charging 22 kW)". If this is not the case, the vehicle is automatically charged with the optimum output at the Wallbox. The maximum charging capacity of the charging station must suit the physical installation (cable diameter and overload protection).
4 To use the remote functions of the Mercedes-Benz Wallbox and to receive "over the air" updates, the Mercedes me App, a personal Mercedes me ID and agreement to the terms of use for the Mercedes me connect services are required.
5 In order to receive the "over the air" updates, users must agree to the respective update in the Mercedes me app or give their general consent in the Mercedes me App to receive all future updates.

App collects data about individual fuel consumption
The Mercedes-Benz Group offers transparent information and possibilities to compare the fuel consumption of its vehicles in Europe: customers can use the free Mercedes me App to voluntarily and anonymously share their individual fuel consumption for almost all model series and compare it with users of similar vehicles. The information is also available on the Group website.

The data shows that individual fuel consumption can differ from the WLTP certification value. Deviations from the WLTP cycle can be caused by numerous factors such as road conditions, load, weather conditions, but especially by individual driving style.

Saving energy with the Eco Coach
The Mercedes-Benz Group offers users of plug-in hybrid and electric vehicles an app with personalised energy-saving tips, the Mercedes me Eco Coach. The app analyses personal driving and charging behaviour and provides personalised tips on how to reduce the carbon footprint and increase the longevity of the vehicle battery. It is now available in ten European markets.

More environmentally friendly batteries

The Mercedes-Benz Group pursues a holistic approach to battery technology along the entire value chain – from research and development to recycling. The ramp-up of electric vehicles depends on the right battery technologies and access to raw materials. To this end, the Group is focusing on expanding strategic partnerships with battery cell producers that supply the Mercedes-Benz Group's global battery production network with battery cells and modules manufactured in a net carbon-neutral manner. The Group also seeks to diversify its raw material procurement and strengthen the resilience of its supply chains, thereby reducing dependencies.

By purchasing battery cells from various partners on the global market, Mercedes-Benz AG gains access to the latest technologies and ensures a reliable supply for the global Mercedes-Benz battery production network. Mercedes-Benz AG is increasingly pursuing a local-for-local approach: component products and materials for Mercedes-Benz vehicles are preferably to be purchased in the vicinity of the respective production facility. This not only reduces costs and supply chain risks, but also contributes to sustainability by shortening transport routes, for example. Mercedes-Benz AG has therefore entered into several strategic battery partnerships worldwide, with various suppliers in different regions. On the road to a fully electric future, Mercedes-Benz AG has acquired a stake in ACC, the Automotive Cells Company (ACC), in order to establish a European battery cell module supplier with global ambitions. Together with its partners, Mercedes-Benz AG will accelerate the development of ACC to drive the development and production of next-generation high-performance battery cells and modules.

In order to achieve the ambitious goals of the electric ramp-up, the company is also working with its partners to develop new sources of raw materials with the aim of diversifying raw material procurement. Here too, Mercedes-Benz AG is increasingly pursuing its local-for-local strategy with several suppliers – in the full knowledge that raw material resources are limited in some regions. The company has now also made the net carbon-neutral production of battery cells a key requirement when awarding contracts to its battery cell partners. By extending sustainability requirements to the production of the cathode material, Mercedes-Benz AG can now reduce emissions per battery cell by around 40%.

Mercedes-Benz AG aims to achieve a further reduction in CO_2 emissions in battery production by using renewable energies in the production and refinement of raw materials. One example of this is the partnership with the German-Canadian start-up Rock Tech Inc., which is building a refinery for lithium hydroxide in Guben (Germany). The supply agreement stipulates that both partners will work together on a roadmap for the net carbon-neutral production of lithium hydroxide by 2030. Mercedes-Benz AG is thus taking an important step towards local-for-local, and at the same time deepening the vertical integration of drive technologies in order to achieve its electrification targets in Europe.

At the same time, the Mercedes-Benz Group is focusing on further strong collaborations with the aim of jointly developing advanced battery technologies – from cells and modules through to integration into the vehicle battery. Among other things, it is working with partners to increase the energy density of lithium-ion batteries by using high-silicon anodes or lithium anodes in conjunction with solid-state technology.

In order to bring new technologies into series production as early as possible, the Mercedes-Benz Group is also stepping up its own research and development activities: among other things, it is setting up a competence centre for battery technology in Untertürkheim – materials and cells can be technologically evaluated there in future. The “Mercedes-Benz eCampus” is gradually being put into operation. A near-series plant for the small-scale production of e.g. battery cells is to be available as early as 2024.

↗ More resource-efficient vehicles – Battery development

Calculation and documentation of CO_2 emissions

GRI 305-1/-2/-3

The Mercedes-Benz Group calculates and documents its CO_2 emissions in accordance with the Corporate Accounting and Reporting Standard 2004 of the Greenhouse Gas (GHG) Protocol initiative according to the categories Scope 1 to Scope 3. Scope 1 and Scope 2 emissions are reported in accordance with the Operational Control Approach of the GHG Protocol.

All direct CO_2 emissions from the company’s own emission sources (Scope 1), indirect emissions from the generation of purchased electricity, district heating and purchased grey hydrogen (Scope 2) as well as emissions from the use of Mercedes-Benz Group products, the supply chain, transport logistics and Dismantling and treatment process (Scope 3) are documented. The Mercedes-Benz Group therefore also takes into account the upstream and downstream emissions of its activities. In addition to the greenhouse gas CO_2, it takes other greenhouse gases into account under Scope 1 and 2 in its balances. These greenhouse gas emissions are summarised in CO_2 equivalents alongside the main greenhouse gas CO_2. In addition to fossil CO_2 emissions, the Group is also reporting biogenic CO_2 emissions from the use of renewable energies (biomass, biogas, etc.) separately for the first time, under Scope 1 and 2 in its balances for this reporting year.

Scope 1: The Mercedes-Benz Group’s direct emissions from the combustion of fuels, heating oil, natural gas and LPG are calculated using constant CO_2 emission factors in accordance with the World Business Council for Sustainable Development (WBCSD) or the German Emissions Trading Authority (DEHSt). The CO_2 equivalents in Scope 1 are determined using the Global Warming Potentials (GWP) and the emission factors according to the Intergovernmental Panel on Climate Change (IPCC). Since 2017, the fuel consumption of company-owned vehicles has also been included. This includes vehicles whose fuel consumption is recorded centrally via an internal Group billing system. In addition, vehicles whose fuel consumption is not currently recorded by this billing system are also taken into account by determining the data decentrally at the respective location and entering it into a data tool.

The Mercedes-Benz Group continues to report its production-related targets (energy, CO_2) excluding fuels, as fuel consumption is primarily caused by activities outside of production (e.g. company vehicles, test benches). For this reason, the specific energy consumption and CO_2 emissions (measured per vehicle produced) on which the production-related targets are based are also shown excluding fuels.

The Mercedes-Benz Group records its worldwide energy consumption using a data tool and reports the results in consolidated form. The data is based on metered data in the suppliers' invoices or measurements. In individual cases, expert estimates are used if calculations or measurements are not available in time at the year- end. Conversion factors are taken from site-specific calculations (e.g. calorific values) or valid accounting standards.

Scope 2: The Mercedes-Benz Group calculates indirect emissions from district heating and electricity from external generation, differentiated by time and region. Since 2016, the determination of the CO_2 footprint has been made in line with the "market-based" calculation approach, based on the Greenhouse Gas Protocol Initiative's guidance on Scope 2 emissions published in 2015. For the "market-based" calculation approach, the Mercedes-Benz Group collects the CO_2 emission factors of the local electricity rates or electricity companies at its worldwide locations. Where these are not available, the current average emission factor published for the respective country according to the International Energy Agency (IEA) or according to the United States Environmental Protection Agency (EPA) is still used. For the sake of comparison, we also publish the CO_2 emissions of all our locations according to the "location-based" method, which takes only country-specific emission factors into account.

Scope 3: CO_2 emissions resulting from the use of Mercedes-Benz Group products are calculated by the Mercedes-Benz Group on the basis of unit sales figures and average fleet consumption. Other indirect CO_2 emissions from the supply chain (purchased goods and services) or in connection with the Dismantling and treatment process of vehicles are calculated using vehicle-specific lifecycle assessments in accordance with ISO 14040/44.

The GHG Protocol specifies a total of 15 categories of Scope 3 emissions. The emissions are determined on the basis of comprehensive methodological considerations and complex calculations. The reported Scope 3 categories are selected following a review of relevance and data availability. At 78%, the majority of the Mercedes-Benz Group's reported Scope 3 emissions are generated in the utilisation phase, i.e. in the production of fuel and electricity (well-to-tank) and in the operation of its products (tank-to-wheel). Around 18% of indirect Scope 3 emissions are attributable to the supply chains that provide the Mercedes-Benz Group with goods and services.

The Mercedes-Benz Group determines the CO_2 emissions for the lifecycle assessments/Scope 3 calculations for Mercedes-Benz vehicles on the basis of its global unit sales figures and the average standardised CO_2 fleet value. For comparison purposes and across all vehicle segments, an assumed annual mileage of 20,000 km and an assumed operating life of ten years are assumed for each vehicle. In total, the assumed mileage is therefore 200,000 km per vehicle.

Calculation of CO_2 emissions

GRI 302-1/-2 GRI 305-1/-2/-3/-4

For the entire lifecycle of the Mercedes-Benz Cars fleet and the Mercedes-Benz Vans fleet worldwide, the average CO_2 value for Mercedes-Benz Cars for the year 2023 was 46.5 tonnes per vehicle, and for Mercedes-Benz Vans 60.8 tonnes per vehicle. 50.5 tonnes are accounted for by the use phase, which in the case of vans is dominated by commercial goods transport with vehicles in the 3.5 to 5 tonne segment.

CO_2 emissions Scope 1, Scope 2 and selected Scope 3 categories worldwide for Mercedes-Benz Cars

GRI 305-1/-2/-3

	2023[1,10]		2022[10]		2021[10]	
Activities (Scope 3 category as per GHG Protocol)	**specific** CO_2 in t/car	**absolute** CO_2 in million t	**specific** CO_2 in t/car	**absolute** CO_2 in million t	**specific** CO_2 in t/car	**absolute** CO_2 in million t
Purchased goods (3.1)[2]	**9.0**	**18.0**	8.7	17.7	8.4	17
Logistics[3]	**1.0**	**2.0**	1.1	2.2	1.1	2.2
Upstream logistics (3.4)	**0.35**	**0.7**	–	–	–	–
Downstream logistics (3.9)	**0.65**	**1.3**	–	–	–	–
Waste (3.5)[4]	**0.1**	**0.2**	–	–	–	–
Business travel (3.6)[5]	**0.03**	**0.07**	0.028	0.057	0.009	0.019
Employee traffic (3.7)[6]	**0.05**	**0.11**	0.052	0.107	0.053	0.107
Use phase of our products – well-to-tank (3.11)[7]	**6.6**	**13.1**	6.6	13.6	6.3	12.7
Use phase of our products – tank-to-wheel (3.11)[8]	**29.1**	**58.2**	30.7	62.7	32.2	65.5
Dismantling and treatment process (3.12)[9]	**0.4**	**0.8**	0.4	0.8	0.4	0.8
Scope 1, 2						
Manufacture	**0.3**	**0.4**	0.3	0.4	0.7	0.7
Total	**46.5**	**93.0**	**47.9**	**97.8**	**49.1**	**99.2**

1 The key figures were subjected to an audit in order to achieve "limited assurance". The Scope 3 categories listed in the table were audited as per the GHG Protocol. The categories capital goods (3.2), rented or leased assets (3.8), let or leased-out assets (3.13), franchise business (3.14) and investments (3.15) are not reported due to insufficient data availability.
The categories fuel-related and energy-related activities (3.3) and processing of sold products (3.10) are included in part in category 3.1, but cannot be shown separately due to the accounting method based on product lifecycle assessments. Figures are rounded.

2 The CO_2 emissions of the purchased goods pertain to the emissions of the upstream chain of all passenger cars sold (retail) in the reporting year. They are calculated by means of internal lifecycle assessments audited as per ISO 14040/44 and scaled by vehicle weights. The basis of the data is the respective lifecycle assessment database used in the 360° Environmental Checks: Mercedes-Benz models with 360° Environmental Check. | Mercedes-Benz Group > Responsibility > Sustainability > Climate & Environment > Environmental Check).

3 Standard and approach for accounting of the Scope 3 emissions for the upstream and downstream logistics are prescribed by the GHG Protocol. The calculation of the CO_2 emissions of transport services uses the distance-based method and is in consideration of the standards GLEC Framework V2.0, DIN EN 16258 and CleanCargo. Forecast figures.

4 The CO_2 emissions from the disposal and recycling of the Group-wide quantities of waste are calculated by means of generic emission factors for the different kinds of waste treatment. The resulting scrap for recycling is excluded and taken into account in category 3.1.

5 The determination of the Scope 3 emissions for the category business travel is based on booking data received by the Global Travel Management (BCD) of Mercedes-Benz Cars in the reporting year. The kilometres travelled are multiplied by the relevant emission factors for each means of transport. The emission factors for rental cars are based on data from rental car companies, for air travel on the GHG Protocol 2015 depending on length of flight and class, and for train travel on the country-specific worst-case emission factors of the respective railway companies.

6 The Scope 3 emissions for the category employee traffic are calculated based on the number of employees, the average attendance and the emission contribution of the modes of transport used. The following breakdown of the modes of transport was assumed for the European sites: 70% car, 12% public transport and 18% other modes of transport; the breakdown for non-European sites: 90% car, 5% public transport and 5% other.

7 The shown well-to-tank emissions are based on the electricity/fuel production paths of the respective markets. The absolute CO_2 contribution of the charging electricity amounts of all vehicles is determined by means of CO_2 emission factors for the market-specific power generation. The contribution of Green Charging to CO_2 reduction by the new vehicle fleet of Mercedes-Benz Cars is determined using a combination of different market-specific approaches. The contribution of Green Charging to CO_2 reduction in 2023 is 0.12 t CO_2/vehicle.

8 The calculation of CO_2 emissions is based on the weighted average of CO_2 fleet values, taking into account the currently applicable driving cycles in the respective markets, and includes all vehicles with an assumed mileage of 200,000 km.

9 The end-of-life model incorporated into the lifecycle assessment of a car comprises the dismantling, the shredding process and the downstream treatment of the shredder light fraction. The CO_2 emissions from the power consumption of the shredder and the recycling of the shredder light fraction are taken into account in the Scope 3 category disposal of sold products. No credit notes are issued (cut-off approach) for the created material fractions (e.g. steel, aluminium).

10 Absolute Scope 3 emissions pertain to retail sales (2021: 2,032,663; 2022: 2,041,705; 2023: 2,002,734). Absolute Scope 1 and 2 emissions pertain to vehicles produced at fully consolidated sites, excl. other makes (2021: 1,132,213; 2022: 1,261,106; 2023: 1,306,966; unverified).

CO_2 emissions Scope 1, Scope 2 and selected Scope 3 categories worldwide for Mercedes-Benz Vans

GRI 305-1/-2/-3

	2023[1,10]		2022[10]		2021[10]	
Activities (Scope 3 category as per GHG Protocol)	**specific** CO_2 in t/van	**absolute** CO_2 in million t	**specific** CO_2 in t/van	**absolute** CO_2 in million t	**specific** CO_2 in t/van	**absolute** CO_2 in million t
Purchased goods (3.1)[2]	**8.5**	**3.8**	8.7	3.6	8.6	3.4
Logistics[3]	**0.88**	**0.39**	0.9	0.4	0.9	0.4
Upstream logistics (3.4)	**0.49**	**0.22**	-	-	-	-
Downstream logistics (3.9)	**0.38**	**0.17**	-	-	-	-
Waste (3.5)[4]	**0.07**	**0.03**	–	–	–	-
Business travel (3.6)[5]	**0.008**	**0.004**	0.008	0.003	0.007	0.003
Employee traffic (3.7)[6]	**0.036**	**0.016**	0.038	0.016	0.039	0.015
Use phase of our products – well-to-tank (3.11)[7]	**4.6**	**2.1**	4.7	2.0	4.9	1.9
Use phase of our products – tank-to-wheel (3.11)[8]	**45.9**	**20.5**	47.5	19.7	47.8	18.9
Dismantling and treatment process (3.12)[9]	**0.5**	**0.2**	0.5	0.2	0.5	0.2
Scope 1, 2						
Manufacture	**0.3**	**0.1**	0.3	0.1	0.5	0.2
Total	**60.8**	**27.2**	**62.7**	**26.0**	**63.3**	**25.0**

1 The key figures were subjected to an audit in order to achieve "limited assurance". The Scope 3 categories listed in the table were audited as per the GHG Protocol. The categories capital goods (3.2), rented or leased assets (3.8), let or leased-out assets (3.13), franchise business (3.14) and investments (3.15) are not reported due to insufficient data availability.
The categories fuel-related and energy-related activities (3.3) and processing of sold products (3.10) are included in part in category 3.1, but cannot be shown separately due to the accounting method based on product lifecycle assessments. Figures are rounded.

2 The CO_2 emissions of the purchased goods pertain to the emissions of the upstream chain of all vans sold (retail) in the reporting year. They are calculated by means of internal lifecycle assessments and scaled by vehicle weight.

3 Standard and approach for accounting of the Scope 3 emissions for the upstream and downstream logistics are prescribed by the GHG Protocol. The calculation of the CO_2 emissions of transport services uses the distance-based method and is in consideration of the standards GLEC Framework V2.0, DIN EN 16258 and CleanCargo. Forecast figures.

4 The CO_2 emissions from the disposal and recycling of the Group-wide quantities of waste are calculated by means of generic emission factors for the different kinds of waste treatment. The resulting scrap for recycling is excluded and taken into account in category 3.1.

5 The determination of the Scope 3 emissions for the category business travel is based on booking data received by the Global Travel Management (BCD) of Mercedes-Benz Cars in the reporting year. The kilometres travelled are multiplied by the relevant emission factors for each means of transport. The emission factors for rental cars are based on data from rental car companies, for air travel on the GHG Protocol 2015 depending on length of flight and class, and for train travel on the country-specific worst-case emission factors of the respective railway companies.

6 The Scope 3 emissions for the category employee traffic are calculated based on the number of employees, the average attendance and the emission contribution of the modes of transport used. The following breakdown of the modes of transport was assumed for the European sites: 70% car, 12% public transport and 18% other modes of transport; the breakdown for non-European sites: 90% car, 5% public transport and 5% other.

7 The shown well-to-tank emissions are based on the electricity/fuel production paths of the respective markets. The absolute CO_2 contribution of the charging electricity amounts of all vehicles is determined by means of CO_2 emission factors for the market-specific power generation. The contribution of Green Charging to CO_2 reduction by the new vehicle fleet of Mercedes-Benz Vans is determined using a combination of different market-specific approaches. The contribution of Green Charging to CO_2 reduction in 2023 is 0.03 t CO_2/vehicle.

8 The calculation of CO_2 emissions is based on the weighted average of CO_2 fleet values, taking into account the currently applicable driving cycles in the respective markets, and includes all vehicles with an assumed mileage of 200,000 km.

9 The end-of-life model incorporated into the lifecycle assessment of a car comprises the dismantling, the shredding process and the downstream treatment of the shredder light fraction. The CO_2 emissions from the power consumption of the shredder and the recycling of the shredder light fraction are taken into account in the Scope 3 category disposal of sold products. No credit notes are issued (cut-off approach) for the created material fractions (e.g. steel, aluminium).

10 Absolute Scope 3 emissions pertain to retail sales (2021: 394,978; 2022: 415,335; 2023: 447,793). Absolute Scope 1 and 2 emissions pertain to vehicles produced at fully consolidated sites, excl. other makes (2021: 336,847; 2022: 360,874; 2023: 397,996; unverified).

Development of CO_2 emissions in Europe

GRI 305-5

The Mercedes-Benz Group has defined the CO_2 emissions of its new car fleet in Europe as one of its most important non-financial performance indicators. In the reporting year, the average CO_2 emissions of the Mercedes-Benz new vehicle fleet in Europe (European Union, Norway and Iceland) applying the statutory regulations on the basis of internal data, amount to 111 g/km (including vans registered as passenger cars), and were therefore at a lower level than in the previous year. Taking the vehicles of the joint venture smart Automobile Co., Ltd. into account in the Mercedes-Benz CO_2 pool, the average CO_2 emissions in Europe (European Union, Norway and Island) amounted to 109 g/km according to internal calculations. This means that the Mercedes-Benz Group fell significantly below the CO_2 targets in Europe in 2023.

The Mercedes-Benz Group expects the Mercedes-Benz fleet average in Europe (European Union, Norway and Iceland) to fall further in 2024. This development has been especially favoured by the fact that all-electric and plug-in hybrid vehicles continue to increase their share of total car sales. Further information can be found in the forecast report.

In the reporting year, the average CO_2 emissions of light commercial vehicles in vehicle class N1 in Europe (European Union, Norway and Iceland) amount to 204 g/km, applying the statutory regulations on the basis of internal data. Mercedes-Benz will therefore fall below the CO_2 target. For 2024, the Mercedes-Benz Group expects a further reduction in CO_2 emissions owing to the increasing sales of all-electric vehicles.

Development of the average CO_2 emissions of the Mercedes-Benz passenger car fleet in Europe (in g/km)

GRI 302-5

	2023[6]	2022[6]	2021[6]	2020	2015	2010	2005	2000
CO_2 emissions	**109[1,2,5]**	115[1,5]	114[3,5]	104[6]	123[4,6]	158[6]	178[6]	204[6]

1 Internal value.
2 Incl. vehicles of the joint venture smart Automobile Co., Ltd.
3 Subsequent adjustment based on final EU data.
4 Till 2015 excluding vans registered as M1 vehicles.
5 Calculation as per WLTP (excl. UK).
6 Calculation as per NEDC (incl. UK).

Development of the CO_2 emissions of the Mercedes-Benz van fleet in Europe on average (in g/km)

GRI 302-5

	2023	2022	2021	2020	2015	2013
CO_2 emissions	**204[1,2]**	209[1,2]	216[2,3]	184[4]	193[4]	206[4]

1 Internal value.
2 Calculation as per WLTP (excl. UK) .
3 Subsequent adjustment based on final EU data.
4 Calculation as per NEDC (incl. UK).

Development of CO_2 emissions in the USA

In the USA, two separate standards regulate disclosures at federal level to limit greenhouse gases and consumption: the Greenhouse Gas (GHG) Protocol and the Corporate Average Fuel Economy Standards (CAFE). Based on model year 2023, the GHG fleet value is 170 g of CO_2/mile for the passenger car fleet and 259 g of CO_2/mile for the light duty truck (LDT) fleet (vans and SUVs - based on latest forecast). Despite an increase in the fleet share of electrified vehicles (xEV) in the USA, the Mercedes-Benz Group came in below its average fleet targets of 179 g CO_2/mile for the passenger car fleet. The target value of 233 g CO_2/mile for the light duty truck (LDT) fleet (vans and SUVs) could not be reached. However, the Mercedes-Benz Group was able to close the remaining gap by acquiring external credits.

The Mercedes-Benz Sprinter models are subject to GHG regulation for classes 2b and 3 with a gross vehicle weight of between 3.86 tonnes and 6.35 tonnes. The CO_2 targets in these classes depend on the payload, towing capacity and drive type of the vehicles. In the reporting year, CO_2 emissions from medium duty vehicles (MDV) totalled 436 g CO_2/mile, the target value of 476 g CO_2/mile was therefore bettered. The Group expects to remain below the CO_2 targets in the coming years.

Mercedes-Benz GHG figures for passenger cars, light-duty trucks and medium-duty vehicles USA (in g CO_2/mi)

	2023	2022	2021	2020	2019
Passenger cars	**170**[1]	241[2]	254	260	263
Light-duty trucks	**259**[1]	296[2]	300	301	310
Medium-duty vehicles	**436**[1]	471	525	483	485

1 Internal value.
2 Subsequent adjustment based on final USA data.

Development of CO_2 emissions in China

In China, domestic and imported cars are reported separately and according to fleet consumption values, unlike in Europe and the United States. For Mercedes-Benz China (MBCL)[6], which does not produce any vehicles in China itself, the value of the import fleet is relevant. The target was 6.95 l/100 km; the figure that was actually achieved was 8.46 l/100 km taking into account off-cycle technologies (8.52 l/100 km not taking into account off-cycle technologies). MBCL plans to acquire external credits to cover short-term consumption gaps in the achievement of fleet targets.

With the expansion of its portfolio of fully electric vehicles and plug-in hybrids, the Mercedes-Benz Group intends to achieve its emissions targets in China with its joint venture Beijing Benz Automotive (BBAC), which is responsible for local production.

Mercedes-Benz fleet consumption passenger cars in China (in l/100 km)

GRI 302-5

	2023	2022	2021	2020	2020	2018
Fleet consumption	**8.46**[1,2,3]	8.17[2,3]	8.08[2,3]	7.77[2,4]	8.07[4]	7.65[4]

1 Internal value.
2 Value with off-cycle technologies.
3 Fuel consumption measured according to WLTP.
4 Fuel consumption measured according to NEDC.

Legal limits on the fuel consumption and/or CO_2 emissions of car fleets and light commercial vehicles also exist in many other markets, although the target values differ from market to market. This affects major sales markets for Mercedes-Benz products such as China, Switzerland, Canada, Japan, South Korea, Brazil, India and Saudi Arabia. The Mercedes-Benz Group also takes these target values into account in the further development of its portfolio.

6 Mercedes-Benz China Ltd. (MBCL) is a joint venture between Mercedes-Benz and Lei Shing Hong, which is the importer and general sales company for imported finished vehicles in China.

Climate protection in the supply chain

Strategy and concepts

Climate-protection goal: Net carbon-neutrality

GRI 2-23 GRI 3-3

With “Ambition 2039”, the Mercedes-Benz Group aims to achieve a net carbon-neutral new vehicle fleet along the entire value chain in less than 20 years. The supplier network plays a decisive role in achieving the climate targets: the production of a fully electric vehicle is around twice as CO_2-intensive as that of a conventional combustion engine vehicle, mainly owing to the lithium-ion batteries.

The Mercedes-Benz Group has various levers at its disposal to avoid and reduce CO_2 emissions – for example in the design of the electric vehicle portfolio or at the Group’s own production locations. But it is also a fact that the Mercedes-Benz Group can only partially influence some areas. This includes e.g. the energy mix used in the use phase of the vehicles, or for production of outsourced components in the country of origin.

Sustainable transformation at the suppliers

GRI 2-23/-24 GRI 3-3

The Mercedes-Benz Group has the goal to prevent, minimise or as far as possible eliminate (potentially) negative environmental impacts along its supply chain. To achieve this, it pursues sustainable supply chain management. Suppliers must comply with the Responsible Sourcing Standards (RSS) in order to participate in new contracts awarded by the Group. The RSS is the central contractual document for sustainability requirements on the part of suppliers and defines e.g. mandatory requirements with regard to environmental protection. Above and beyond these minimum requirements, the expectations also set out in the report provide a non-binding perspective for the coming years, which forms the content basis for strategy dialogues and other formats. The RSS is therefore the most important instrument for implementing the Mercedes-Benz Group’s ambitious goals in the complex supply chains. These standards therefore form the guidelines for sustainable supply chain management. Mercedes-Benz Cars and Mercedes-Benz Vans also address other sustainability requirements. For future model series and vehicle architectures, suppliers must comply with targets set by Mercedes-Benz Cars and Mercedes-Benz Vans, particularly with regard to reducing CO_2 emissions, and implement appropriate measures. These requirements apply in particular to CO_2 and energy-intensive focus materials such as steel, aluminium, polymers and battery cells.

↗ Climate protection in the supply chain – Minimum requirements for suppliers

↗ Social compliance – Requirements for suppliers

To reduce CO_2 emissions in the supply chain, Mercedes-Benz Cars and Mercedes-Benz Vans are accelerating the transformation of their suppliers and business partners. They use three levers to achieve this: With the “Ambition Letter”, which applies to all new contracts, the suppliers assure the segments that they will supply Mercedes-Benz Cars and Mercedes-Benz Vans exclusively with net carbon-neutral[7] products from 2039 at the latest.

↗ Climate protection in the supply chain – Declaration of intent for net carbon-neutrality

Mercedes-Benz Cars and Mercedes-Benz Vans have also integrated target values for CO_2 emissions into their criteria for award processes – the focus is on components that are produced in a CO_2-intensive manner. These targets not only apply to direct suppliers, but also to the upstream production of raw materials and components.

↗ Climate protection in the supply chain – Declaration of intent on net carbon-neutrality

7 Net carbon-neutral means that no CO_2 emissions are created or any resulting CO_2 emissions are offset by certified compensation projects.

Both segments continue to work together with selected partners. The aim is to reduce CO_2 emissions in the supply chain – especially in the production of important components such as battery cells or bodyshell components – through innovative technologies.

↗ Climate protection in the supply chain – CO_2-reduced production materials

Progress on reducing CO_2 emissions in the supply chain is reported to the Group Sustainability Committee (GSC) at regular intervals. Furthermore, the Mercedes-Benz Group continuously reviews which milestones it has reached with regard to its 2039 ambition for passenger cars.

Measures and results

Declaration of intent on net carbon-neutrality

GRI 3-3 GRI 308-1

The Mercedes-Benz Group pursues various projects and measures in the supply chains for services, as well as production and non-production materials, in order to avoid and reduce CO_2 emissions. In future, it therefore only intends to work with partners who share its understanding of sustainability with reference to the climate, environment and human rights, and has enshrined net carbon neutrality in its contractual terms. Back in 2020, Mercedes-Benz Cars and Mercedes-Benz Vans sent a letter of intent to suppliers of production materials in the form of the “Ambition Letter” concerning net carbon-neutral products. Signing this letter is an essential prerequisite for awarding contracts. With their signature, the suppliers pledge to supply only net carbon-neutral production material to Mercedes-Benz Cars and Mercedes-Benz Vans by 2039 at the latest – and thus follow the Mercedes-Benz Group’s 2039 ambition. 84% of all registered suppliers of production material for Mercedes-Benz Cars and Mercedes-Benz Vans – measured by the annual planned procurement volume based on planning figures updated every 14 days – have signed the “Ambition Letter”.

In addition to working with direct suppliers, business with body manufacturers plays an important role at Mercedes-Benz Vans as part of industry requirements. In regular communication measures addressed to the body manufacturers with whom Mercedes-Benz Vans works in its partner models, they are informed about “Ambition 2039” and asked to pledge their support in pursuing the climate targets by signing an “Ambition Letter”. In 2023, all VanSolution partners already formally pledged their support on a voluntary basis. The topic has also met with great approval among Mercedes-Benz Vans partners – the number of signed declarations of intent is increasing constantly.

Ambition letters are also requested from suppliers of non-production materials and services in CO_2 -intensive material groups to ensure a net carbon-neutrality.

CO_2-reduced production materials

In addition, Mercedes-Benz Cars and Mercedes-Benz Vans are setting selected priorities for production materials on the road to net carbon-neutrality. To this end, quantitative interim targets for CO_2 emissions in the supply chains have been defined – these were derived from the results of the supplier discussions and determined with the support of external experts. Mercedes-Benz Cars and Mercedes-Benz Vans have placed the focus on materials and components that have high CO_2 emissions in production. These include steel, aluminium, certain plastics and battery cells. Finally, they have integrated the target values into their criteria for award processes – and apply CO_2 and recyclate targets as key criteria when awarding contracts for the Mercedes-Benz Modular Architecture (MMA) “Electric first” vehicle platform and the Mercedes-Benz Electric Architecture (MB.EA) and Mercedes-Benz Vans Electric Architecture (VAN.EA) platforms.

Battery

The battery is the single vehicle component with the greatest CO_2 contribution. To counteract this, Mercedes-Benz Cars and Mercedes-Benz Vans are agreeing the procurement of battery cells produced on a net carbon-neutral basis with their strategic battery cell partners. By extending the decarbonisation

requirements to production of the cathode material, the emissions of a battery cell can be reduced by around 40%. External specialist and testing organisations verify the suppliers' net carbon-neutral cell production.

In addition, both segments continue to negotiate with players along the entire supply chain, including electrode producers, refineries and mines. In addition to respecting human rights, a key requirement is to rely more heavily on renewable energy sources, particularly through the use of green electricity.

↗ Climate protection in vehicles and services – More environmentally friendly batteries

Steel

Steel accounts for up to 20% of total CO_2 emissions in the production of an electric vehicle. Mercedes-Benz AG intends to purchase over 200,000 tonnes of CO_2-reduced steel per year from European suppliers for its own press plants before the end of this decade.

In this context, Mercedes-Benz AG is working with various steel suppliers and supporting them in their transformation in order to move closer to the climate protection targets of "Ambition 2039". The increasing availability of CO_2-reduced steel is an important lever for reducing the CO_2 footprint of Mercedes-Benz vehicles. The establishment of industrial direct reduction plants and smelting units is therefore an important prerequisite for the gradual decarbonisation of the steel supply chain. If the direct reduction process is combined with the electric steel process, and green hydrogen instead of natural gas and renewable energies are used to operate the electric arc furnace during direct reduction, steel production can be virtually CO_2-free.

Mercedes-Benz AG has signed a contract with the Swedish start-up H2 Green Steel (H2GS) for the supply of around 50,000 tonnes of virtually CO_2-free steel per year for the company's own European press plants. The new supply contract enables Mercedes-Benz AG to bring virtually CO_2-free steel into series production. H2GS plans to start production in 2025. Mercedes-Benz AG has held a stake in H2GS since 2021. In addition, the partners have signed a letter of intent to expand their collaboration to include the joint development of a sustainable steel supply chain in North America.

Mercedes-Benz AG and thyssenkrupp Steel have signed a letter of intent for the purchase of CO_2-reduced steel. The two companies have agreed that the entire production process for CO_2-reduced steel products will be carried out almost CO_2-free in future, using direct reduction systems in conjunction with innovative smelting units – subject to the availability of green hydrogen. Thyssenkrupp plans to commission the first direct reduction plant in 2026, and then supply Mercedes-Benz Cars.

Mercedes-Benz AG already purchases CO_2-reduced steel from Salzgitter Flachstahl GmbH. It is produced from 100% scrap in an electric arc furnace (EAF). This allows CO_2 emissions to be reduced by more than 60% compared to conventional blast furnace production. In a declaration of intent, both parties have also agreed to purchase products manufactured using green electricity; this increases the savings potential to more than 75%. From 2026, Salzgitter Flachstahl GmbH also intends to supply the Mercedes-Benz Cars plants with CO_2-reduced steel, which is produced using a combination of direct reduction processes and EAF.

Mercedes-Benz AG also sources CO_2-reduced steel from its Italian steel partner Arvedi. To this end, Arvedi has partly converted its production to renewable energies. The two partners are endeavouring to gradually increase the quantities of less CO_2-intensive steel supplied.

Mercedes-Benz AG has also signed a supply contract for the plant in Alabama (USA) with Steel Dynamics, Inc. (SDI) for more than 50,000 tonnes of CO_2-reduced steel per year, which has been integrated into production since September 2023. The steel supplied by SDI is produced in an EAF that runs on 100% green electricity. In addition, the flat steel has a scrap content of at least 70% and is used in all Mercedes-Benz models produced in Tuscaloosa (USA).

Mercedes-Benz Cars already received steel from SSAB's hydrogen-based direct reduction in 2022. Based on the use of 100% hydrogen, the Swedish partner company has reduced iron ore in its pilot plant, processed it into ultra high-strength martensitic steel and supplied it to the Mercedes-Benz plant in Sindelfingen. The first prototype parts were manufactured in the plant's technical centre and tested for series production. This ultra high-strength steel has the same properties as comparable steel from the classic blast furnace method. Specifically, these body components are cross-members from the future Mercedes-Benz Modular Architecture (MMA) vehicle platform. The partners intend to use virtually CO_2-free steel from industrial production from 2026.

Mercedes-Benz AG is already working with the long-standing Austrian steel and technology group voestalpine on the reuse of steel scrap produced at the Mercedes-Benz plant in Sindelfingen (Germany). Specifically, voestalpine supplies the Mercedes-Benz plant in Sindelfingen with high-quality steel from its location in Linz (Austria) using CO_2-neutral rail transport. Since 2021, the same train has been transporting press shop scrap from the Sindelfingen plant to the steelworks in Linz on the return journey. This ensures that the scrap is recycled directly by the supplier. The future purchase of CO_2-reduced steel from an EAF is part of a declaration of intent.

↗ More resource-efficient vehicles – Recycling of steel and aluminium scrap

Aluminium

Mercedes-Benz AG entered into a sustainability partnership with the aluminium manufacturer Hydro in 2022. As part of this, the manufacturer has been supplying the foundry at the Mercedes-Benz Cars plant in Untertürkheim (Germany) with CO_2-reduced aluminium since June 2023. Compared to the average material used in Europe, almost 70% less CO_2 is emitted during its production. This is made possible by the use of renewable energies in electrolysis, energy efficiency measures and a minimum proportion of 25% post-consumer recyclate (PCR). After the successful test phase of the low-CO_2 aluminium was completed, it was integrated into series production. Sophisticated cast structural components made from this material are used in Mercedes-Benz passenger car models such as the EQS and EQE. As part of its technology partnership with Hydro, Mercedes-Benz AG is aiming to use aluminium in its vehicles by 2030 with a carbon footprint that is up to 90% lower than the European average.

In addition, by adjusting existing supply contracts, Mercedes-Benz AG has continued to work with its suppliers to decarbonise the aluminium supply chain for its production in Europe as a whole. At least a third of the primary aluminium used in Europe for future electric models is to be produced using renewable energies. This leads to a CO_2 reduction of up to 50% in the material used compared to conventionally produced aluminium used in Europe.

↗ More resource-efficient vehicles – Resource conservation in the supply chain

Minimum requirements for suppliers

In 2022, the Mercedes-Benz Group adopted the Responsible Sourcing Standards (RSS). They form the Group's central contractual document covering sustainability requirements for suppliers. The standards include its minimum requirements for a responsible supply chain – including environmental protection. They are aimed at conserving natural resources and preventing environmental damage caused by economic activities, as well as remedying such damage if it occurs. If the environmental damage is unavoidable or irreparable, it must be compensated. The Mercedes-Benz Group is thus heightening its sustainability requirements, particularly in the areas of environmental due diligence, climate protection and resource conservation, as well as biodiversity, deforestation and water. In addition, the standards define minimum requirements with regard to human rights due diligence.

↗ Social compliance – Requirements for suppliers

With the RSS, the Mercedes-Benz Group goes beyond its own previous sustainability requirements and the legal requirements by formulating further-reaching expectations of suppliers, in line with the German Supply Chain Sustainability Act (LkSG). The aim is to sensitise suppliers beyond the legal requirements and motivate them to make greater efforts in the area of sustainability. To act in compliance with the LkSG, the Mercedes-Benz Group has applied the RSS to all contract awards since 2023.

↗ Social compliance – Requirements for suppliers

Environmental and energy management systems

GRI 2-23/24 GRI 3-3

Suppliers who supply Mercedes-Benz Cars and Mercedes-Benz Vans with production materials are required to have a certified environmental management system in accordance with ISO 14001 or EMAS. Depending on the specific risks, this also applies to suppliers of non-production materials and services. If a supplier does not have a certified environmental management system, the supplier is given two years to set up such a system and have it certified.

Data transparency

GRI 308-2

In order to present the environmental impact of their supply chains even more transparently, Mercedes-Benz Cars and Mercedes-Benz Vans are working with organisations such as CDP. As part of "CDP Supply Chain", suppliers have already been reporting on their environmental impact and climate protection efforts since 2019. CDP provides the corresponding tools for recording, assessing and publishing environmental and climate data. To this end, the Mercedes-Benz Group contacted its main suppliers again in 2023. They represent around 85% of the annual procurement volume of Mercedes-Benz Cars and Mercedes-Benz Vans. Around 93% of them took part in the survey.

To ensure that e.g. sustainability requirements are met, Mercedes-Benz AG is involved in the "Catena-X" cooperation project. The project networks companies across industries in an overarching data ecosystem, and thus allows a secure data exchange between all participants in the automotive value chain: From the mining of raw materials to recycling, the data chain is to be supplemented with CO_2 data from each company so that a product-specific CO_2 footprint – which is to contain as much primary data as possible – can be shared. In the "Catena-X" project group "Sustainability and CO_2", Mercedes-Benz AG and other partners have developed standards to make the calculation and exchange of CO_2 data reliable and secure.

Awards for suppliers

The Mercedes-Benz Group considers climate protection and resource conservation in the supply chain to be an element of its cooperative partnership with suppliers. Public recognition for good performance is also considered to be important. For this reason, the Mercedes-Benz Group once again organised the "Mercedes-Benz Supplier Circle" event in 2023 – presenting awards to suppliers for outstanding sustainability performance.

Climate protection in production

Strategy and concepts

Net carbon-neutrality in production

GRI 2-23 GRI 3-3

In its sustainable business strategy the Mercedes-Benz Group has set itself the holistic goal of making the mobility of the future more sustainable. Reducing greenhouse gas emissions is one of the most important efforts in this regard. The aim of the Mercedes-Benz Group is to achieve carbon-neutral production in its own production plants by 2039. This is to be achieved by covering energy consumption with 100% renewable energies.

On the way there, the CO_2 emissions generated during vehicle production, particularly through the use of fossil fuels, are to be systematically reduced and, where possible, avoided altogether. To achieve this, Mercedes-Benz is focussing on the purchase of green electricity, the expansion of renewable energies at its own locations and the implementation of a sustainable heat

supply. By 2030, the Mercedes-Benz Group plans to reduce CO_2 emissions in the production plants (Scope 1 and Scope 2) by 80% compared to 2018. The target set and confirmed by the SBTi to reduce the CO_2 emissions in Mercedes-Benz's own production plants (Scope 1[8] and 2[9]) by 50% by 2030 in comparison to 2018[10] figures was already achieved back in 2022, and is also being pursued beyond the production locations for the central functions under consideration. All production plants operated by the Mercedes-Benz Group have been net carbon-neutral in terms of Scope 1 and Scope 2 since 2022[1]. Since 2022, all CO_2 emissions (Scope 1 and Scope 2) from these plants that have so far proved unavoidable have been compensated by carbon offsets from qualified climate protection projects.

The Mercedes-Benz Group uses internal and external tools to determine how much progress its plants are making in achieving the climate-protection targets. The Mercedes-Benz Group has defined the parameters for in-house reviews, and it regularly monitors these parameters.

The Group has been systematically recording its climate protection measures in an internal database for many years. It can use the data to efficiently manage the targets it has set itself, as the respective measures can be stored and tracked in the database with the corresponding calculations for CO_2 reduction. To evaluate sustainability-related investment decisions, the Group uses an internal carbon transfer price for its own production and logistics.

An external auditing company audits a selection of targets and their implementation on an annual basis. The Mercedes-Benz Group uses the results to adapt and further develop its climate protection measures.

Responsibilities and organisation

GRI 2-24 GRI 3-3

The Mercedes-Benz Group has more than 30 production locations worldwide, each of them subject to different regional and national laws. Environmental and climate protection in production is managed and coordinated across the business units by three regional committees – Germany/Europe, North/South America and Africa/Asia. In the committees, the experts are able to network across the Group and plants and exchange information on legislation, processes and innovations. In addition, globally applicable internal standards and procedures are developed here.

European Union Emissions Trading System

Industrial plants in which CO_2 emissions are caused by the combustion of fossil fuels, and whose licensed rated thermal input exceeds 20 MW, must by law participate in the European Emissions Trading Scheme (EU ETS). The operators of such facilities are required to calculate on an annual basis the CO_2 emissions they generate, report the figures to the responsible authorities, and then submit to the same authorities CO_2 emission certificates in the amount of the reported CO_2 emissions. A large proportion of the CO_2 emission certificates required must be purchased for a fee on the free market. At the Mercedes-Benz Group, an internal committee of experts from various departments defines the procurement strategy and risk management for the required EUA certificates.

Currently, more than 65% of the CO_2 emissions generated at the Mercedes-Benz Group's European production sites are covered by EU emissions trading. The Mercedes-Benz Group employs various measures in attempting to further reduce CO_2 emissions – these include e.g. projects to increase energy efficiency or to expand capacities for regenerative power and heat generation.

8 Scope 1 emissions are direct CO_2 emissions from sources for which the company is directly responsible or that it directly controls.
9 Scope 2 emissions are indirect CO_2 emissions from purchased energy such as electricity and district heating that are generated externally but consumed by the company.
10 In 2018 the Scope 1 emissions amounted to 650,000 tonnes of CO_2, while the Scope 2 emissions totalled 1,040,000 tonnes of CO_2.

Measures and results

Purchase of green electricity and expansion of renewable energies

GRI 2-24 GRI 3-3 GRI 302-1

The Mercedes-Benz Group intends to systematically reduce the CO_2 emissions generated in vehicle production – particularly due to the use of fossil fuels – and, where possible, to avoid them altogether. The Group has set itself the target of covering more than 70% (cars) or 80% (vans) of its energy requirements in production with renewable energies by 2030. The procurement of green electricity plays a key role in these efforts. All of the Mercedes-Benz Group's own production plants worldwide obtain 100% of their external electricity from renewable energy sources. The Mercedes-Benz Group in Germany currently relies on a mix of solar, wind and hydroelectric power for the external procurement of green electricity The Mercedes-Benz Group is also committed to the expansion of renewable energies at its own locations.

By 2025, the Mercedes-Benz Group will make further investments to drive forward the expansion and installation of photovoltaic systems (PV systems) at its locations worldwide. PV systems have already been installed at the German locations in Rastatt, Bremen, Hamburg, Kölleda and Sindelfingen, as well as the South African location in East London. In a further step, the PV capacities at these locations will be further expanded and initial installations will be made in Kecskemét (Hungary), Sebes (Romania) and Tuscaloosa (USA).

Another focus of the Group's energy strategy is the expansion of the portfolio to include wind energy from onshore and offshore wind farms. In the offshore sector, the Group concluded a Power Purchase Agreement (PPA) with the energy supplier Iberdrola in the reporting year, for the supply of electricity from the Windanker wind farm in the Baltic Sea. This will secure 140 MW of renewable electricity for the Group from 2027, covering around 30% of its electricity requirements in Germany.

In September 2022, the Mercedes-Benz Group began its planning for the installation of a wind farm on its test site in Papenburg, northern Germany. By the middle of the decade, around 20 wind turbines with a capacity of around 120 MW are to be built on the site as part of a PPA with the German energy park developer Umweltgerechte Kraftanlagen GmbH & Co. KG (UKA). This can cover up to 20% of Mercedes-Benz AG's annual electricity requirements in Germany. An expansion with PV systems is also planned. The Mercedes-Benz Group liaises closely with the relevant local authorities and interest groups on site when planning the implementation of the project and ecologically sustainable use of the area.

The Mercedes-Benz Group intends to cover more than 50% of its total electricity requirements in Germany with new solar and wind power plants.

In the reporting year, renewable energies accounted for 100% (2,106 GWh) of external electricity consumption in the production of Mercedes-Benz Cars and Mercedes-Benz Vans. The share of total energy consumption at Mercedes-Benz Cars was 47% (1,817 GWh) and at Mercedes-Benz Vans 38% (344 GWh).

More sustainable heat supply

The Mercedes-Benz Group is also using the heat generated for its plants to reduce CO_2 emissions from fossil sources: for example, surface geothermal energy is already being utilised at the Rastatt location (Germany). In future, heat pumps powered by green electricity will also be put into operation at locations such as Kecskemét (Hungary) and Tuscaloosa (USA). There are also plans to further reduce the use of fossil fuels such as natural gas by electrifying production processes. Interdisciplinary teams are also examining how renewable heat generation can be further expanded across all locations.

Several Mercedes-Benz production locations, such as Untertürkheim, Bremen and Ludwigsfelde (all in Germany), use district heating with varying proportions of renewable energy. In addition, some locations, such as Immendingen (Germany) and Jawor (Poland), receive heat from biomass heating plants.

Offsetting CO_2 emissions

Since 2022, all CO_2 emissions (Scope 1 and Scope 2) in the production plants operated by the Mercedes-Benz Group that have been unavoidable to date have been compensated for by carbon offsets from qualified climate protection project.

In particular, remaining emissions are produced in the natural gas-fuelled combined heat and power plants that generate electricity and heat. All offsetting projects comply with international accounting standards and the high quality requirements of the Gold Standard. In this way, the Mercedes-Benz Group supports projects that meet very high quality criteria, are subject to a reliable calculation methodology and avoid double counting. The climate-protection projects not only avoid CO_2 emissions but also promote sustainable, socially beneficial and environmentally friendly development in many ways in the countries where the projects are located. The portfolio includes offsetting projects such as small biogas plants in Nepal and projects for CO_2-reduced drinking water treatment in Nigeria and Kenya.

The focus of the Mercedes-Benz Group's climate policy is on reducing and avoiding CO_2 emissions. According to the Intergovernmental Panel on Climate Change (IPCC), global climate targets cannot be achieved through reduction measures alone. In addition, CO_2 would also have to be removed from the atmosphere. The Mercedes-Benz Group therefore seeks to expand its portfolio to include CO_2 removal projects. In the reporting year, the Group made its first small contribution to CO_2 removal through a high-quality biochar project. Further expansion of the portfolio is planned from 2024. In this way, the Mercedes-Benz Group wants to support the development of CO_2 removal solutions with high quality and integrity and pave the way for the future.

Reduction of production-related CO_2 emissions

GRI 305-5

In the reporting year, Mercedes-Benz Cars and Mercedes-Benz Vans were able to reduce CO_2 emissions in production (Scope 1 and Scope 2) from 539 kilo tonnes in 2022 to 511 kilo tonnes through various measures. This corresponds to a reduction of 5%.

CO_2 emissions from energy consumption (in 1,000 t)

GRI 305-1/-2

	2023[3]	2022	2021[2]
Scope 1: direct CO_2 emissions	**538**	569	681
– Fuels	**85**		
– Heating oil	**20**		
– Liquefied petroleum gas	**8**		
– Natural gas	**424**		
Scope 2: indirect CO_2 emissions – **market-based**	**83**	94	466
– Hydrogen	**5**		
– District heating	**78**		
– Electricity	**0**		
Scope 2: indirect CO_2 emissions – **location-based**	**933**	1,121	1,123
Total – market-based[1]	**621**	**663**	**1,148**
Thereof total in production	**511**	539	947
Total – location-based[1]	**1,471**	**1,690**	**1,805**
Thereof total in production	**1,278**	1,445	1,542

Further information on greenhouse gas accounting	
Biogenic emissions – Scope 1	**5**
Biogenic emissions – Scope 2	**2**
Other greenhouse gases (unit: CO_2e)[4]	**5**
CO_2 compensation for unavoidable emissions	**626**

1 The market-based and the location-based methods have been implemented as per GHG Protocol Scope 2 Guidance since 2016. The market-based approach has been the standard accounting method ever since.
2 Due to the spin-off and demerger of the Daimler commercial vehicle business as an independent company, the data has been adjusted, but still contains some minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the 2022 business year.
3 The key figures were audited in order to obtain "limited assurance".
4 Significant non-CO_2 greenhouse gases such as CH_4, N_2O and refrigerants (scope 1).

This can also be seen in the decline in specific CO_2 emissions per vehicle.

Specific CO_2 emissions in production (in kg/vehicle)[1]

	2023	2022	2021	2020	2019	2018
Cars						
CO_2 direct (Scope 1)	**228**	258	349	326	279	267
CO_2 indirect (Scope 2) – market-based[2]	**51**	57	306	426	431	562
Total – Scope 1 & 2	**279**	**316**	**655**	**752**	**711**	**829**
Vans						
CO_2 direct (Scope 1)	**250**	269	353	333	346	355
CO_2 indirect (Scope 2) – market-based[2]	**9**	9	141	147	160	196
Total – Scope 1 & 2	**259**	**279**	**493**	**479**	**506**	**551**

1 Excl. CO_2 from fuels.
2 The market-based and the location-based methods have been implemented as per GHG Protocol Scope 2 Guidance since 2016. The market-based approach has been the standard accounting method ever since.

Global battery production network

The local production of batteries is a key element in being able to meet the global demand for electrified vehicles flexibly and efficiently. To this end, Mercedes-Benz relies on a global battery production network, which is an important component of the worldwide production network.

The network consists of factories on three continents: the battery systems are produced in Untertürkheim and Kamenz (Germany), Jawor (Poland), Tuscaloosa (USA), Beijing (China) and Bangkok (Thailand). Plants have also been announced for the German locations in Kölleda and Sindelfingen, as well as the Hungarian location in Kecskemét.

↗ Climate protection for vehicles and services – More environmentally friendly batteries

More sustainable transport logistics

On the road to net carbon-neutral transport logistics, the Group is focussing on avoiding and reducing the CO_2 emissions generated in the global transport network of Mercedes-Benz Cars and Mercedes-Benz Vans. In 2023, around 2.5 million Mercedes-Benz vehicles were transported worldwide. In addition, the European production networks of Mercedes-Benz AG received almost 8.5 million tonnes of production materials. To avoid and reduce the associated CO_2 emissions in rail, air, sea and road transport, Mercedes-Benz AG is continuously optimising its logistics.

Transferring consignments from road to rail can make a significant contribution to reducing CO_2 emissions. Mercedes-Benz vans for the Austrian market have been arriving in the country by rail from the port of Zeebrugge (Belgium) since the middle of 2023. In the reporting year, Mercedes-Benz Vans saved more than 60% of CO_2 compared to road transport. In addition to avoiding air freight, with the transport service provider Kühne + Nagel (AG & Co.) KG, Mercedes-Benz Cars relies on the use of Sustainable Aviation Fuel (SAF) on the route from Stuttgart (Germany) to Birmingham (Alabama, USA) and has thus been able to save more than 8,000 tonnes of CO_2 since April 2023.

In order to reduce CO_2 emissions in maritime transport as well, the Mercedes-Benz Group relies on close cooperation with its transport service providers. Mercedes-Benz AG signed a letter of intent with its partner, the shipping company Wallenius Wilhelmsen Ocean AS, at

the beginning of 2023. As part of this partnership, it is supporting the “Orcelle Wind” project as an anchor partner in developing a cargo sailing ship that significantly reduces emissions through additional propulsion with wind energy. Until new alternative propulsion technologies are available, Mercedes-Benz AG is relying on biofuels as a bridging technology to reduce CO_2 emissions in maritime transport. In several projects with the transport service providers Maersk A/S and Hapag-Lloyd AG, it was able to reduce CO_2 emissions by almost 17,000 tonnes.

Together with the MOSOLF Group, which specialises in automotive logistics, Mercedes-Benz Vans is deploying three fully electric car transporters for inner-city shuttle transport between the plant in Düsseldorf (Germany) and the nearby Rhine docks, to further reduce CO_2 emissions in road freight transport

More sustainable sales operations

The Mercedes-Benz Group has set itself the goal of making its sales organisation more climate-friendly – but this can only be achieved with the support of its sales partners.

By 2030, all sales partners worldwide are to achieve the goal of net carbon-neutral operation. This includes switching to electricity from renewable energies, the energy-efficient renovation of existing buildings and the construction of highly energy-efficient new buildings. This is based on the global CO_2 emissions of the Mercedes-Benz sales organisation and its continuous reporting for subsequent years. This enables the Mercedes-Benz Group to check the effectiveness of the implemented measures, and to measure the realised CO_2 reduction.

In the reporting year, the Group calculated the global CO_2 emissions of all sales and service locations for the second time. In addition, a “Guidebook Conscious Retail” has been available for all dealers since the first quarter of 2023. This guide provides comprehensive information on the sustainable business strategy of Mercedes-Benz AG and the necessary measures to be taken by dealers. It also lists several best practices that have already been implemented.

Mercedes-Benz AG’s German own-retail outlets have been net carbon-neutral since 2022, in line with the global Mercedes-Benz plants. The German own-retail outlets have not only focussed on switching to renewable energies across the board in their own business. They also want to make electricity from renewable sources available to their customers and promote electromobility in general. Most of the charging points at these outlets are publicly accessible. With the Premium Charging Hub at the AirportCenter Berlin and the Mercedes-Benz Charging Hub in Mannheim (both in Germany), Mercedes-Benz AG was able to further accelerate the expansion of its charging network. The car dealerships continued to focus on reducing their energy consumption and increasing their energy efficiency.

Air quality

Materiality and goals

GRI 3-3

Targets	Target horizon	Status
The entire new car fleet of the Mercedes-Benz Group is no longer to have any relevant effect on nitrogen dioxide pollution in urban areas.	2025	Target achieved in 2022

The corporate responsibility of the Mercedes-Benz Group as an automotive manufacturer includes bringing individual mobility, climate protection and air quality into harmony. Inner-city air quality is an important environmental aspect for the Group in this respect.

The EU enforces stricter limit values for air pollutants: the revision of the European Air Quality Directives provides more ambitious standards for the period from 2030, which are more aligned to the guidelines of the World Health Organization (WHO).

At the end of last year, the EU legislators agreed on a new Euro 7 emission standard. In addition to minor changes to the proven EU6d methodology and its limits for exhaust emission, the new emission standard also provides for the first time particulate limits for brake and tyre abrasion. In this context, the EU Commission will propose a measurement method for tyre abrasion. In order to comply with future regulatory requirements, the Mercedes-Benz Group is constantly developing its technologies.

Improving air quality in urban areas

Strategy and concepts

Fewer air pollutants – in vehicles and production

GRI 3-3

In order to reduce the vehicles' pollutant emissions, the Mercedes-Benz Group defines target values, certain characteristics and necessary measures in the concept and specifications of the engines. These documents are approved by the Model Policy and Product Planning Committee. The highest body at Mercedes-Benz Cars, wich determines all product-related topics.

However, it is not only the vehicles of the Mercedes-Benz Group that produce air pollutant emissions, but its production sites also play a part: reducing emissions is a constant task and challenge – both for plant and systems planning and for day-to-day operations.

Depending on their type and size, the plants in Germany are legally obliged to appoint immission control officers. Depending on the air pollutant, the maximum values and requirements for emissions are regulated by law – these apply as a benchmark for the production plants and product development of the Mercedes-Benz Group.

Of particular importance are what is known as volatile organic compounds (VOCs). In addition, the heat and power generation plants release nitrogen and sulphur oxides as well as fine particles. All three are also significant air pollutants that must be reduced.

The Mercedes-Benz Group regularly reviews the plants' compliance with the internal and external environmental protection requirements and reporting obligations as part of the environmental management activities at its production facilities. Among other things, the legally compliant operation with regard to air emissions is policed. The management system is verified both by external assessments as part of ISO 14001 certifications and EMAS validations and by internal environmental risk assessments (environmental due diligence).

↗ Further table of key figures – Air emissions in production (in tonnes)

Measures and results

In order to further reduce pollutant emissions from vehicles and production sites, the Mercedes-Benz Group intends to develop further measures and invest in appropriate technologies.

Measures in the development process

GRI 3-3

Product design is a central starting point for the Mercedes-Benz Group to improve its performance in the area of air pollutant emissions and air quality. It takes the pollutant emissions of its vehicles into account at an early stage in the development process. In the documentation that accompanies the development, it specifies certain characteristics and target values for each vehicle model and engine variant. The Mercedes-Benz Group also uses these specifications to evaluate milestones it achieves during product development. Here, it compares the actual project status with the target values and – if necessary – initiates corrective measures.

The latest diesel engines cause less nitrogen oxide emissions

GRI 2-27 GRI 3-3

The Mercedes-Benz Group has further reduced the NO_X emissions of its diesel engines through technologically innovative solutions. This was made possible by an overall package of engine and exhaust gas aftertreatment.

Vehicles with the latest generation of diesel engines have low NO_X emissions in practical driving – on many journeys they are even well below the current laboratory limit of 80 mg/km according to the Real Driving Emissions (RDE) measurement method. In continuous operation covering many thousands of kilometres under RDE conditions, they achieve average emissions of around 20 to 30 mg NO_X/km.

A detailed description of the procedures relating to diesel emissions can be found in the Group's risk report.

↗ Risk and Opportunity Report – Annual Report 2023

The current Mercedes-Benz vehicles with Euro 6d emission standard have only a very small impact on NO_2 pollution in cities due to their low emission level. The Group has demonstrated this on the basis of detailed modelling in various high-traffic areas, so-called hotspots, in Stuttgart, Berlin and Munich and discussed this with external experts. The modelling approach takes into account both vehicle and traffic-related information – for example, the distance the vehicles have travelled to the hotspot. If all cars and vans in these high-traffic areas were to be replaced by new Euro 6d cars with combustion engines, their NO_2 contribution to air quality in these areas would be reduced to less than 2 µg/m³. This means that the Mercedes-Benz new passenger car and van fleet no longer has any relevant influence on inner-city air quality values. Thanks to the increasing electrification of the fleet, the NO_2 values will continue to improve.

Technical Compliance Management System

GRI 416-2

Working in development-related areas requires precise knowledge of the processes and framework conditions – this is the only way to ensure that technical and regulatory requirements, standards and laws are systematically observed. Mercedes-Benz AG therefore supports these employees with a technical Compliance Management System (tCMS). This is to ensure that all legal and regulatory requirements are met throughout the product development and certification process.

↗ Compliance management – Ensuring compliance with product requirements

Reduced solvent emissions in production

The Mercedes-Benz Group seeks to be a leader in dealing with the production-related emissions of VOCs in the automotive sector. VOC refers to a group of highly volatile organic hydrocarbon compounds. These substances can easily pass from the liquid to the gaseous phase and are frequently harmful to human health. In automobile production, VOCs are primarily released in the vehicle painting process. Different countries use different methods to define and record VOCs; as a result, it is difficult to achieve uniform worldwide documentation. The Mercedes-Benz Group has developed a standardised method for collecting VOC data, which enables virtually uniform collection.

In order to reduce VOC emissions at the Group's own production sites, the Mercedes-Benz Group is modernising and optimising old paint systems. The Group has signed a cooperation agreement with paint systems manufacturer Dürr for a new painting line at the Sindelfingen (Germany) site. Once completed, the systems will emit significantly lower VOC quantities than their predecessors. Gas is not used as a fossil fuel in the new paint shops. In addition, Mercedes-Benz AG has concluded an agreement under public law with the City of Sindelfingen: according to this agreement, the company is committed to annual solvent emissions of no more than around 1,300 tonnes at the plant located there. Furthermore, with a maximum area-specific exhaust air concentration of 20 g/m² of organic solvents, the Sindelfingen plant has been well below the legal limits (of 35 g/m² for paint shops in the automotive industry) since 1999.

At the US plant in Tuscaloosa, the Mercedes-Benz Group has initially reduced VOC emissions and energy consumption in the clear coat line since January 2023: more exhaust air can now be cleaned thanks to a modified exhaust air routing. The entire reconstruction work was completed in January 2024, meaning that the total investment of around €5 million has resulted in a significant reduction of annual VOC emissions and up to 30 GWh less energy consumption.

Specific solvent emissions (VOC) (in kg/vehicle)

	2023	2022	2021	2020	2019
Cars	**1.97**	2.10	2.09	1.77	1.47
Vans	**2.62**	3.86	4.16	3.37	3.98

↗ Further table of key figures – Air emissions in production (in tonnes)

Measures in the use phase

Intelligent use concepts allow a further reduction in pollutant emissions.

Hardware retrofit promoted
Mercedes-Benz Group AG is participating in a voluntary programme initiated by the German government to retrofit diesel vehicles with hardware for cleaner air. Specifically, a conversion for private owners is subsidised with up to €3,000 incl. VAT per affected vehicle – provided certain conditions are met. The hardware retrofits, for example, must be developed and offered by third-party providers and approved by the Federal Motor Transport Authority (KBA). Even though demand has declined significantly, the programme will continue until further notice.

Brake abrasion as a source of particulate matter
When a vehicle is braked, what is known as brake dust is produced from brake pad abrasion and the abrasion of the brake discs. In order to be able to investigate the type and quantity of particulate matter contained therein, a reliable measurement method is required, which is defined by the "Particle Measurement Programme" of the United Nations Economic Commission for Europe (UNECE). An initial draft of the test specification was adopted as a Global Technical Regulation (GTR) in January 2023. Since then, the working group has been working on additions and improvements.

The Mercedes-Benz Group is analysing in detail the actual levels of particulate matter produced and the effect of possible measures to reduce brake abrasion in its own vehicles.

Brake dust emissions are significantly reduced with the increasing proportion of hybrid or all-electric vehicles, as a considerable proportion of deceleration in these vehicles is due to energy recovery.

With regard to tyre abrasion, the Mercedes-Benz Group is working with tyre manufacturers and scientific institutes to investigate the causes of particulate matter emissions as a function of tyre and road surface influences. The Group intends to continuously advance its technologies and expertise in order to remain below the limits currently being set in the future.

Local concepts for air quality

Intelligent mobility concepts for employees can help to improve air quality in cities. The Mercedes-Benz Group has developed cross-location measures and implemented location-specific projects with the Corporate Mobility Working Group. The measures include buses for commuters and a nationwide, publicly accessible charging infrastructure for electric vehicles at the plants. In the case of company cars, for example, the proportion of electrified vehicles at the Sindelfingen site (Germany) is already 35%. Company vehicles booked via a car-sharing app and a bicycle leasing concept are also part of the package of measures. To make commuting by bike more attractive, lockable bicycle stands and charging lockers for e-bikes have been installed at many plants, such as in Hamburg and Berlin (both in Germany).

In view of the sharp rise in energy prices and the high overall inflation rate, Mercedes-Benz Group AG has decided to subsidise the Germany Ticket for public transport in 2023. This will reduce the financial burden on employees travelling to work and at the same time help to improve urban air quality.

Reducing interior emissions and allergens

Good air and allergy-tested surfaces in vehicle interiors are very important for the health and well-being of vehicle occupants. During vehicle development, the Mercedes-Benz Group therefore makes sure that emissions and allergens in the interior are reduced. In addition, it uses filters in the air conditioning system that limit the penetration of allergens.

The following measures also contribute to reducing interior emissions and allergens in vehicles of the Mercedes-Benz brand:

- Further development of the delivery specifications with regard to emissions and odours in vehicle interiors — including limit value specifications for suppliers
- Continuous component optimisation and further development of the materials and manufacturing processes used for interior components
- Verification of the interior emissions through measurements in the company's own vehicle test chamber

Further table of key figures

Air emissions in production (in tonnes)

GRI 305-7

	2023	2022	2021[1]
Solvents (VOC)	**3,642**	4,036	3,780
Sulphur dioxide (SO_2)	**20**	20	13
Carbon monoxide (CO)	**892**	1,121	1,269
Nitrogen oxides (NO_x)	**435**	455	625
Dust (total)	**122**	108	149

1 Due to the spin-off and demerger of the Daimler commercial vehicle business as an independent company, the data has been adjusted, but still contains some minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the 2022 business year.

Resource conservation

Materiality and goals

GRI 3-3

Targets	Target horizon	Status as of 2023
More resource-efficient vehicles		
Increase the share of secondary raw materials per vehicle[1] – Cars 40%	2030	According to plan
Resource conservation in production[2]		
Reduce energy consumption per vehicle[3] – Cars -43% – Vans -25%	2030	According to plan
Reduce water consumption per vehicle[3] – Cars -33% – Vans -28%	2030	According to plan
Reduce the amount of waste for disposal per vehicle[4] – Cars -82% – Vans -85%	2030	According to plan
Reduce the total amount of waste per vehicle[4] – Cars -35% – Vans -30%	2030	According to plan

1 On average for the Mercedes-Benz passenger car fleet without vans.
2 In addition to the production sites of the consolidated subsidiaries, the production sites of the following non-consolidated subsidiaries are included: Star Transmission srl (Cugir, Romania), STARKOM, proizvodnja in trgovina d.o.o. (Maribor, Slovenia) and STARCAM s.r.o. (Most, Czech Republic).
3 Compared to average for 2013/2014.
4 Compared to 2018.

With the rising demand for mobility, the global consumption of resources and the negative consequences for the environment and society also increase. For example, in many cases the extraction and further processing of primary raw materials is energy-intensive and leads to the emission of pollutants into water, soil and air. Not least, the use of natural resources also entails social risks. The goal of the Mercedes-Benz Group is therefore to increasingly decouple resource consumption from the growth of its production output: it has resolved to increase the use of secondary materials. By 2030, the share of secondary raw materials for the passenger car fleet is to be increased to an average of 40%. This is how the Group seeks to contribute to both the promotion of economic growth and sustainability. The Mercedes-Benz Group can only succeed in this by consistently conserving resources and further closing the recycling loops.

To reduce the consumption of energy, water and waste, the Group works continuously to make its production more efficient and environmentally friendly.

More resource-efficient vehicles

Strategy and concepts

Decoupling resource consumption from growth

GRI 3-3

Mercedes-Benz Group vehicles are largely produced from materials such as steel, aluminium and plastic. Various natural resources are required for their production. The Group's aim is to minimise this consumption of natural resources. To this end, it has defined requirements in the vehicle specifications and is initiating appropriate measures. It pursues the objectives and targets within the Mercedes-Benz development system.

As electric mobility becomes more common, the demand for specific raw materials is also changing. Examples are cobalt and lithium, but nickel, graphite, manganese and copper are also included. The Mercedes-Benz Group analyses these raw materials in detail as part of comprehensive raw material assessments, in order to counter both potential human rights and environmental risks. In addition, the Mercedes-Benz Group has a strategy for important raw materials

that are sourced both directly and indirectly, which safeguards its requirements for the long term. In the case of critical raw materials, the strategy focusses on intensive research into substitute technologies and on ensuring the responsible procurement of raw materials.

↗ More resource-efficient vehicles – Battery development

Transforming the entire value chain with a recycling loop that is as closed as possible – this is the ambition of the Mercedes Benz Group. For example, it wants to return its production waste and old materials to the material cycle – including the batteries from electric vehicles, which still contain many high-quality materials. The recycling and reuse of these and many other raw materials is at the focus of our current strategic activities and will remain so in the future. It is both important and necessary to involve suppliers even more strongly – for example through dialogue and clear objectives. The Mercedes-Benz Group is also involved in various initiatives aimed at reducing the consumption of resources in key raw materials industries, among other things.

↗ More resource-efficient vehicles – Involvement in raw materials initiatives

Use of resources

GRI 3-3 GRI 301-1

In the Mercedes-Benz Group, the units concerned with vehicle concepts, vehicle development, procurement, production planning and production are primarily responsible for ensuring that resources are used sparingly. Decisions in this topic area are made by the specialist committees responsible for the respective model series, comprised of representatives from the individual component groups involved.

Group management is always involved in fundamental decision-making regarding design concepts, manufacturing technologies and the utilisation of materials. When making such decisions, it takes multiple factors into account. These include costs, resource-efficient technologies, the use of alternative materials such as secondary materials and renewable raw materials and the potential for industrialisation. In the process, Group management examines the extent to which development results can be transferred to large-scale industrial production, for example, with regard to the use of raw materials.

Mercedes-Benz Cars and Mercedes-Benz Vans use around 4.8 million tonnes of raw materials per year to manufacture their products. 3.47 million tonnes of this are metals and 1.36 million tonnes non-metals. Both segments are particularly focusing on limiting the amount of primary material, and increasingly compensating for this by using secondary materials. To this end, they already follow the “Design for Environment” approach during vehicle development: even during the design phase, specialist departments review the composition of all materials that are to be used and examine more sustainable alternatives. In future, vehicles from Mercedes-Benz Cars and Mercedes-Benz Vans are to become more resource-efficient and environmentally friendly throughout their entire lifecycle. The cornerstones of this approach are the use of recyclates as well as lightweight construction and recyclability.

To assess the resource efficiency of vehicles, the Mercedes-Benz Group takes into account the medium- and long-term availability of raw materials, social acceptance and the social and environmental impacts and risks. In Development, the Group also uses material balances to evaluate and compare different vehicles, components and technologies. The “360° environmental check” on the vehicles contributes to this.

Identifying critical raw materials

In order to better assess how critical the use of a raw material is or can become, Mercedes-Benz Cars and Mercedes-Benz Vans, together with partners from industry and science, conducted the “ESSENZ” research project back in 2015. The result is a holistic approach that is still used by engineers in both segments in the early stages of vehicle development. The procedure of the “ESSENZ” method is based on the lifecycle assessment methodology, which allows a systematic analysis of the environmental impacts along the entire lifecycle of a vehicle.

Resource conservation in the supply chain

GRI 3-3 GRI 308-1/-2

The supply chain also plays an important role when it comes to conserving resources. The Mercedes-Benz Group has set itself the goal of decoupling resource consumption from economic growth – and is counting on the support of its suppliers to achieve this. With their help, it wants to continuously increase the use of secondary and renewable materials in its vehicles.

Against this background, Mercedes-Benz AG already carried out a risk analysis in 2018. Plastics, steel and aluminium have been identified as particularly important materials in Mercedes-Benz vehicles. These materials are not only required in large quantities for vehicle manufacture, but their production is also particularly energy- and resource-intensive. In 2020, secondary material target values were defined for Mercedes-Benz Cars and Mercedes-Benz Vans, and these were incorporated into the requirements for all contract awards. In the reporting year, the company carried out a series-specific analysis at component level in order to realise further potential for increasing the use of secondary materials. Milestones and the status of projects relating to the use of secondary materials are presented quarterly at the meetings of the relevant model series committees. In addition, the responsible member of the Board of Management of Mercedes-Benz Cars and the responsible member of the management board of Mercedes-Benz Vans are regularly informed about strategic sustainability issues as part of a steering committee.

Furthermore, with its "Responsible Sourcing Standards", the Mercedes-Benz Group has defined further environmental requirements in its supplier contracts. These require, among other things, compliance with environmental due diligence obligations and resource-efficient manufacturing of products.

↗ More resource-efficient vehicles – Leather and leather alternatives: more sustainable handling

↗ Climate protection in the supply chain – Minimum requirements for suppliers

Measures and results

Secondary materials and renewable raw materials

GRI 301-2

The closing of material cycles and the use of renewable raw materials are key measures for the responsible utilisation of resources. In order to achieve these goals, the Mercedes-Benz Group uses resource-efficient technologies and production processes. It is also increasingly using secondary materials such as recycled materials and renewable raw materials in its vehicles.

The Mercedes-Benz Group has set itself the goal of increasing the use of secondary raw materials for the passenger car fleet to an average of 40% by 2030. In addition, since 2005 it has already been providing transparency about those products in which secondary raw materials are used. To this end, it has instituted the "360° environmental check" as environmental certificates that can be viewed by the public. The test reports show, among other things, which components are partly manufactured from resource-conserving materials.

Use of secondary raw materials

GRI 301-1

Mercedes-Benz Cars and Mercedes-Benz Vans already use recycled materials, including e.g. aluminium, in numerous series production vehicles. This lightweight metal can be recycled without any loss of quality, and the recycling process consumes less energy than the processes that would be required to produce new aluminium. In order to continuously increase the proportion of recycled material, Mercedes-Benz AG is working with its suppliers to develop aluminium alloys with a high proportion of end-of-life scrap, e.g. from old vehicles or packaging, which also meet the demanding requirements for quality, safety and durability.

↗ Climate protection in the supply chain – Aluminium

For the vehicle interior, the Mercedes-Benz Group offers various leather-free trim and upholstery options. These include high-quality man-made leather and a microfibre weave. This is used e.g. on the seat cover, steering wheel, centre console and door trim and

consists of up to 73% recycled material. The proportion of recycled material is to be continuously increased in the future, and the range of leather-free fittings is to be extended to other vehicle models. The Mercedes-Benz Group also offers various interior upholstery fabrics made from up to 100% recycled PET. As part of its sustainable business strategy, the Mercedes-Benz Group also relies on the use of natural fibres and textiles to replace conventional plastics with renewable raw materials.

Both for the Mercedes EQE SUV as well as for the EQS series, the Group has produced 360° environmental check reports. For the EQE SUV, this shows that a total of 132 components and small parts such as press studs, plastic nuts and cable fasteners are made from resource-saving materials.

In the EQS, the load compartment recess is manufactured with an innovative injection moulding process and includes 60% recycled content. In addition, the thermoplastic material is easy to recycle, which conserves resources. In the new E-Class, 80% of the load compartment recess is already made of recycled material.

The Mercedes-Benz Group also relies on further innovative recycling processes and cooperations with partners to close the recycling loops. One example is chemical recycling: at Pyrum Innovations AG, used vehicle tyres are first turned into a pyrolysis oil, which is then combined with biomethane from agricultural waste at the chemical company BASF. The use of the two raw materials according to the mass balance approach creates a recycled plastic which, for the first time, has the same properties as new plastic made from fossil raw materials and is therefore suitable for technically demanding and safety-relevant Mercedes-Benz vehicle components. The procedure is examined and independently certified according to "RedCert²" and "ISCC PLUS". The first components to be fitted as standard were door handles in the S-Class and EQE. The EQE SUV also has door handles made from the innovative plastic. The S-Class is also equipped with a crash absorber based on this combination of raw materials – a material which, as a component of the front end, ensures an even more uniform distribution of impact energy to the other party in the event of a frontal impact. In future the use of this more sustainable recycled material is to be successively increased, and chemical recycling is to be used for other plastic components in the vehicle. For the first time, Mercedes-Benz Cars has used recycled raw materials certified according to the mass balance approach in the foam used for the seats of the new E-Class. Their properties do not differ from those of petroleum-based primary raw materials. In this way, the need for fossil resources can be reduced while maintaining the same product quality.

For new Mercedes-Benz passenger cars, the Mercedes-Benz Group stipulates a minimum recycled content per material in its specifications. This share varies depending on the vehicle's model and series.

To further increase the use of recyclates, the Mercedes-Benz Group promotes dialogue between its experts and component and recycled material suppliers: before awarding contracts and when jointly designing components, suppliers of the Mercedes-Benz Group must check the possible proportion of recycled material and optimisation approaches as well as possible changeovers.

Use of renewable raw materials

The Mercedes-Benz Group can also reap many benefits from the use of renewable raw materials. By using them, it is possible to reduce the weight of components. Moreover, their CO_2 balance is almost neutral when their energy is recovered because the CO_2 released is only as much as was absorbed by the plant during its growth. The Mercedes-Benz Group uses a wide range of renewable raw materials such as hemp, kenaf, wool, paper and natural rubber. In 2023, the Group showcased innovative paper material for the first time in the interior trim of the Concept CLA Class technology platform. This is to enter series production in a composition of one half recycled cellulose and one half hemp.

The Mercedes-Benz S-Class already demonstrates how many components can partly be made from renewable materials: a microsandwich material has been developed for the interior which is reinforced with natural fibres in most components. It is used in the map pockets in the door trims, in the tensioning part of seat backrests and for the rear shelf. The material weighs 40% less than a comparable conventional component.

The lower weight leads to a decreased need for primary energy along the vehicle's path from production to use and finally to the end-of-life phase. Moreover, the material, which is made of natural fibres, is very break-resistant and thus contributes to vehicle safety.

Leather and leather alternatives: more sustainable handling

The Mercedes-Benz Group attaches great importance to a more environmentally compatible processing of materials, such as leather. From 2023 onwards, it has been gradually using even more sustainably produced and processed leather in its model series. The criteria range from animal husbandry to the tanning process. For example, the Mercedes-Benz Group stipulates compliance with various animal welfare criteria. The Group requires its suppliers to comply with the "5 Freedoms of Animal Welfare" for animal husbandry issued by the Animal Welfare Committee, for example. In future, only vegetable, organic mineral or alternative tanning agents that are completely chrome-free – such as dried coffee bean shells, chestnuts or extracts from other renewable raw materials – may be used in a tanning process that is less harmful to the environment. For electric vehicles in the future, leather may only be processed in tanneries that are certified according to the Gold Standard of the "Leather Working Group". This includes important environmental aspects such as reducing the use of water, energy and chemicals in the tanning process.

In addition, the Mercedes-Benz Group works together with suppliers to continually improve the environmental compatibility of leather products. For example, the partners must submit a lifecycle assessment for the entire value chain. In this way, targeted measures can be taken to reduce the ecological footprint of the leather.

The Mercedes-Benz Group emphatically opposes any form of illegal deforestation. It requires its suppliers not to contribute to or benefit from illegal deforestation in the course of their own business activities. Moreover, it contractually obligates its suppliers to take due diligence measures to support the protection of natural forests in the upstream supply chain.

Mercedes-Benz AG sources only a small proportion of the leather in its value chain from Brazil. In order to develop solutions for deforestation-free leather supply chains, it signed a memorandum of understanding with a supplier and an international organisation in 2023. The focus is on hides that are procured for further processing and ultimately for equipping selected model series. Mercedes-Benz AG is working with its partners on the use and auditing of tracking systems for the traceability of finished leather back to its origin.

The company has decided to continue sourcing a small percentage of its leather from Brazil, as it does not fundamentally rule out high-risk areas as sources of critical raw materials. It applies the principle of "empowerment before withdrawal": instead of withdrawing, the aim is to make a contribution to better local protection of people and the environment. Mercedes-Benz AG is thus also following the recommendation of non-governmental organisations (NGOs), politicians and other relevant interest groups, who advise against general withdrawal from high-risk countries.

At the same time, the Mercedes-Benz Group is researching animal-free, resource-conserving alternatives to genuine leather. In the development and selection of these materials, it pays attention to the highest possible recycled content or the use of renewable raw materials instead of crude oil-based raw materials.

Battery development

Batteries are a key component of electric mobility. At the Mercedes-Benz Group, experts from various disciplines are working on all aspects of battery technology – from basic research to production maturity. The Mercedes-Benz Group is pursuing two goals in this respect: on the one hand, it wants to keep reducing the use of critical materials such as cobalt in its batteries. On the other, it intends to procure battery cells exclusively with raw materials from mines that are audited in accordance with the "Standard for Responsible Mining" of the Initiative for Responsible Mining Assurance (IRMA).

The Mercedes-Benz Group has been investing in resource-efficient technologies and manufacturing processes for batteries for years and is continuously working on optimising the present lithium-ion battery. To drive the development of present and future battery technologies, it is working with partners to increase the energy density of lithium-ion batteries, for example. Anodes with a high silicon content, for instance, or solutions in combination with solid-state technology are being tested.

The Mercedes-Benz Group has a strategy for all directly and indirectly sourced raw materials which safeguards its battery production requirements for the long term. In order to achieve the ambitious goals of the electric ramp-up, the company is also working with its partners to develop new sources of raw materials and diversify its raw material procurement. To this end, the procurement departments continuously monitor the direct procurement of all battery raw materials for relevant markets in order to minimise supply, price and sustainability risks.

In mid-2022, Mercedes-Benz AG entered into an important strategic partnership with the start-up Rock Tech Lithium Inc. to secure the lithium supply for the all-electric future. As part of its direct sourcing approach, the company is thus taking an important step towards securing the supply of lithium for its European battery production. The agreement with Rock Tech Inc. enables Mercedes-Benz AG to supply its battery partners with high-quality lithium hydroxide in order to increase its production of fully electric vehicles. Under the agreement, Rock Tech has undertaken to supply Mercedes-Benz AG and its battery partners with an average of 10,000 tonnes of lithium hydroxide per year. In March 2023, the raw materials company started construction of its lithium plant in Guben (Germany).

Lightweight construction

Intelligent lightweight construction can reduce the weight of a vehicle. To guarantee the high safety and comfort standards at the same time, it is important to choose the right materials. Component design and manufacturing technology also play an important role. The highest share of the total weight of a conventionally powered passenger car is accounted for by the bodyshell, at 35%. This is followed by the suspension at 25%, the comfort and safety features at 20% and the engine and transmission at 20%. These percentages change for all-electric vehicles: in this case, the eDrive system including thermal management has the highest share at 40%. The bodyshell accounts for 25%, comfort and safety equipment (including electrics/electronics) for 20% and the suspension for 15%.

Aluminium is light, strong and has other positive properties. For this reason, the Mercedes-Benz Group is increasingly working with aluminium alloys for external body parts (bonnet, wings, roof, rear end and, in several model series such as the S-Class, E-Class, EQE and EQS, also for the doors) and reinforcement parts (inner bonnet section, roof reinforcement).

The Mercedes-Benz Group is also increasingly relying on the use of aluminium sheets, aluminium extrusions, high-strength and ultra high-strength steels and die-cast aluminium parts in order to further optimise weight and functionality in vehicle bodyshell construction. When developing the corresponding components, the Mercedes-Benz Group uses a new development method based on natural forms. Material is only used where it is necessary to fulfil the function. The Group has established the BIONICAST® brand for cast parts developed according to this principle. The first components are already being installed in series production. For example, the Mercedes-Benz Group uses a BIONICAST® cast component in the bodyshell for the seatbelt retractor in the rear of the EQS. Further components are currently under development and will be used in selected production models, including the upcoming Mercedes-Benz Modular Architecture (MMA) vehicle platform.

Involvement in raw material initiatives

GRI 308-2

Raw materials initiatives serve as important platforms to drive responsible, more environmentally and climate-friendly procurement of raw materials. At the Mercedes-Benz Group, the focus is on aluminium and steel in this respect.

Aluminium Stewardship Initiative: The Mercedes-Benz Group joined the Aluminium Stewardship Initiative (ASI) in 2018. In doing so, it supports the introduction and dissemination of an independent certification

system for the entire aluminium value chain that combines ecological and social aspects. As a participant in the ASI Standards Committee, the Group is involved in the further development of the initiative's "Performance Standard" and "Chain of Custody Standard".

These two standards play an important role for the Group, both as awarding criterion for aluminium procurement and for the optimisation of its own production: suppliers to the Mercedes-Benz Group's European foundries and extrusion plants now only receive orders on condition that the primary aluminium used has passed through ASI-certified production stages from the mine to the rolling mill. In addition, four European press plants where bonnets are stamped out for Mercedes-Benz Cars have been successfully certified in accordance with the ASI "Performance Standard".

Responsible Steel Initiative: The Mercedes-Benz Group has been a member of the Responsible Steel Initiative since 2018, because steel is the material that is proportionally most used in cars and represents the world's largest raw material industry. The Responsible Steel Initiative has developed a uniform certification scheme which includes requirements for the responsible use of resources and addresses the greenhouse gas emissions of the steel industry. The requirements for the certification scheme were drawn up with the involvement of various stakeholders, including the Mercedes-Benz Group. In this regard, the perspective of the end customers has been given special consideration. In addition to factory certification, there is also product-specific certification. For this purpose, corresponding requirements have been developed in the areas of "CO_2" and "Responsible Sourcing".

↗ Climate protection in the supply chain – Steel

↗ Climate protection in the supply chain – Aluminium

The circular economy

GRI 301-3

The overarching goal of the circular economy is to preserve the value of products, components and materials for as long as possible. The Mercedes-Benz Group is likewise committed to measures that promote the circular economy. In doing so, it follows the waste hierarchy: the ultimate goal is to avoid waste. To achieve this, the Mercedes-Benz Group is working on extending the service life of all vehicle components – for example, by using particularly durable materials. It also uses resources efficiently and reduces the use of raw materials with limited availability. Only then does it move down the waste hierarchy with measures for the reuse of various components and parts, and the recovery of materials by means of recycling.

Reuse – new life for used parts
The Mercedes-Benz Used Parts Centre (MB GTC) was founded in 1996 and dismantles more than 5,000 vehicles each year. The aim is to remove as many components as possible in order to sell them as used replacement parts.

Initially, in-house experts check all removed parts for their quality. The parts are offered for sale with the same warranty as new parts only if they meet the standards of MB GTC.

Components that do not fulfil the requirements of MB GTC are recycled. This recycling process means that valuable raw materials can be recovered and kept in circulation – for example copper from vehicle wiring, gold from the circuit boards of control units or platinum from catalytic converters.

Remanufacturing – preserving value for another life
In the remanufacturing process, the Mercedes-Benz Group reconditions used vehicle parts in order to reuse them. Mercedes-Benz Genuine Parts for cars and vans are reconditioned so that they are equivalent to new parts in terms of function, safety and quality. The vehicle parts are only recycled when they can no longer be reused in a vehicle.

Remanufacturing can avoid waste, conserve raw materials and reduce energy consumption. A calculation certified by TÜV SÜD shows that the remanufacturing of an NAG2 transmission saves about 215 kg of CO_2 and 3,074 MJ (854 kWh) of energy compared to a new unit.

Reuse of high-voltage batteries
Lithium-ion batteries contain valuable raw materials such as lithium or cobalt. For this reason, the Mercedes-Benz Group endeavours to reuse the battery in a vehicle or convert it for use in a stationary energy bank before recycling it in order to conserve resources as much as possible.

To this end, the Group is gradually expanding its portfolio of solutions for reconditioning and reusing defective batteries to include newer battery generations. The technically repaired batteries are extensively tested for function and quality based on the specifications for series production. Batteries that are no longer suitable for reuse in a vehicle – e.g. owing to reduced storage capacity – can be repurposed and reused in a stationary energy bank. In this way the Group improves the environmental balance of electric vehicles – and at the same time contributes to a sustainable energy economy.

As a subsidiary of Mercedes-Benz AG, Mercedes-Benz Energy GmbH, based in Kamenz (Germany), is responsible for the development of such innovative energy storage solutions. These are based on the automotive battery technology used in the Mercedes-Benz Group's electric and hybrid vehicles. They are used in 2nd life and replacement parts stores. In setting up these stationary energy storage systems, Mercedes-Benz Energy GmbH is working with partners from the energy industry to connect electric vehicle batteries to the grid. The spectrum of large-scale energy bank applications by Mercedes-Benz Energy ranges from peak loads compensation and "black starting" – power plant ramp-up independent of the electricity grid – to an uninterruptible power supply.

The Mercedes-Benz Group founded Mercedes-Benz Second Life Solutions LLC, based in Tuscaloosa (USA), in 2023. The company focuses on the business areas of remanufacturing and reuse of lithium-ion batteries, as well as the procurement and marketing of used parts from the American market. The new subsidiary offers solutions for reusing the batteries in the vehicle or for repurposing them locally for stationary energy bank applications. Mercedes-Benz Second Life Solutions LLC bundles the Mercedes-Benz Group's many years of expertise in these business areas within a single company. This makes a further valuable contribution to the reuse of components and the conservation of resources in the interests of the circular economy.

Recycling – keeping the end in mind from the start
GRI 306-4
When developing products, the Mercedes-Benz Group keeps the circular economy in mind from the start and draws up a recycling concept for each new model series. For this, it analyses all components and materials and examines the extent to which they are suitable for the various stages of the recycling process. All Mercedes-Benz passenger car models and light commercial vehicles (vehicle class N1) are recyclable to a minimum of 85% in accordance with ISO 22628. In addition, they are in compliance with the European End-of-Life Vehicles Directive 2000/53/EC. This stipulates that cars and vans with a gross vehicle weight of up to 3.5 t must be to a minimum of 95% recoverable.

Mercedes-Benz recycles drive batteries
Once it is no longer possible to recondition or reuse a battery, it is recycled in order to recover valuable raw materials. Today, the Mercedes-Benz Group is already in a position to fulfil far more than the recycling quotas for drive batteries prescribed by battery legislation. The battery housings, the cables and the busbars can be recycled without any difficulty. Recycling the battery modules, which contain most of the valuable materials, is somewhat more complicated. The processes already exist, but they still need to be further developed so that the valuable raw materials can be recovered in as pure a state as possible.

The basic goal is to increase recycling rates even further. The vision: today's old batteries are the mines for tomorrow's batteries. To achieve this, the Mercedes-Benz Group is involved in researching and developing new recycling technologies and their establishment on the market. Together with specialised partners, it works to further optimise the recycling process and participates in funding and research projects.

The volume of batteries to be recycled will gradually increase as the market penetration of electric cars increases. In view of the life cycle of electric vehicles, we expect significant amounts of recyclable material to become available in the 2030s. In order to build up even more expertise in this area, Mercedes-Benz AG is constructing its own net carbon-neutral[1] pilot plant for recycling lithium-ion battery systems at the Kuppenheim (Germany) location. It is an important part of the global Mercedes-Benz Battery Recycling Strategy. For this purpose, the company has founded LICULAR GmbH as a wholly-owned subsidiary. The Kuppenheim facility is being built in two stages. A plant for mechanical dismantling has been under construction since the year under review. In a second step – if discussions with the public sector are successful – the facilities for hydrometallurgical processing of the battery materials will go into operation. The process allows recovery rates of more than 96%. With the help of this technology, Mercedes-Benz AG is also working with partners in China and the USA to create a closed material cycle for battery recycling.

Recycling of steel and aluminium scrap

The use of secondary materials such as steel and aluminium scrap can help to reduce CO_2 emissions in the manufacturing process for these materials and reduce the primary resource requirements in the interests of a circular economy. Alongside the decarbonisation of primary steel production, steel scrap therefore plays a key role in "Ambition 2039". Mercedes-Benz AG already purchases CO_2-reduced sheet steel from Salzgitter Flachstahl GmbH. This is produced from 100% scrap in an electric arc furnace. This allows CO_2 emissions for the respective steel grades to be reduced by more than 60% compared to the conventional blast furnace process. Mercedes-Benz AG and the Austrian steel manufacturer voestalpine are also committed to the recycling of steel scrap produced at the Mercedes-Benz Cars plant in Sindelfingen (Germany). First of all, voestalpine delivers steel by net carbon-neutral rail transport from Linz (Austria) to Sindelfingen (Germany). On the return journey, the same train takes press shop scrap to voestalpine. This allows the supplier to recycle the scrap directly. In a letter of intent, the partners have agreed on the procurement of CO_2-reduced steel made from scrap and primary raw materials in an electric arc furnace (EAF). Voestalpine plans to operate an EAF at the Linz site from 2027. Mercedes-Benz AG has also signed a supply agreement with Steel Dynamics, Inc. (SDI) for more than 50,000 tonnes of CO_2-reduced steel per year for its production plant in Tuscaloosa, Alabama (USA). In this way the company will reach another important milestone on the way to decarbonising the global steel supply chain. The sheet steel from SDI also has a scrap content of at least 70% and is used in all Mercedes-Benz models produced in Tuscaloosa – including the EQS SUV and the EQE SUV.

Mercedes-Benz AG is also already using secondary materials for aluminium. Just a few months after announcing the technology partnership with aluminium manufacturer Hydro in December 2022, Mercedes-Benz AG included sophisticated structural castings for the bodyshell made from low-CO_2 aluminium with a minimum post-consumer scrap content of 25% in its series production in 2023.

Removal of workshop waste with MeRSy

GRI 306-5

As part of the "MeRSy" workshop disposal system, established in the German retail organisation, workshop waste – dismantled vehicle parts, fluids and replacement parts packaging – generated during vehicle servicing or repair is collected and recycled. In the reporting year, a total of 22,500 tonnes of dismantled vehicle parts, 2,100 tonnes of fluids and 4,500 tonnes of packaging were collected and recycled in Germany.

Workshop disposal with MeRSy (in t)

Waste by waste type	**2023**	2022	2021	2020	2019
Uninstalled vehicle parts	**22,500**	24,600	23,700	23,100	21,900
Liquids	**2,100**	2,800	2,200	2,200	2,100
Packaging	**4,500**	5,000	5,500	5,600	6,100
Total	**29,100**	**32,400**	**31,400**	**30,900**	**30,100**

1 Net carbon-neutral means that no CO_2 emissions are created or any resulting CO_2 emissions are offset by certified compensation projects.

Resource conservation in production

Strategy and concepts

More resource-efficient production

GRI 3-3

The use of resources in the vehicle as well as the consumption of resources in production play an important role in the environmental compatibility of vehicles. For this reason, the Mercedes-Benz Group is continuously working on making production more efficient and environmentally compatible.

In order to reduce the ecological footprint of its production, the Group has set itself reduction targets for energy, water and waste at its production locations worldwide.

By optimising energy efficiency, the Mercedes-Benz Group is reducing energy consumption, conserving resources and at the same time reducing CO_2 emissions in production. The Mercedes-Benz Group also seeks to reduce its water consumption – for example by recycling water, i.e. treating and utilising it several times for production purposes. It is also important to reduce the quantities of waste. To achieve this, the Mercedes-Benz Group is stepping up its efforts to reduce the consumption of raw materials and materials at its locations. The Mercedes-Benz Group has set itself reduction targets for its production locations worldwide, including the total amount of waste and the amount of waste for disposal per vehicle. In order to achieve its targets, the Group ensures that appropriate measures are developed, adapted to challenges where necessary and monitored via Group-wide resource management with its environmental and energy management systems.

The Mercedes-Benz Group systematically collects the most important environmental and energy data from its plants in order to monitor and report on its reduction targets. This data is entered into a central environmental data information system by the worldwide production locations and subsequently evaluated.

Based on this data and with the help of internal and external tools, the Mercedes-Benz Group reviews the extent to which the resource targets for the plants are being achieved. For the internal review, it has defined key figures which it monitors regularly. The Mercedes-Benz Group has entrusted an auditing firm with the external review. This reviews a selection of Group targets and their implementation on an annual basis. The Mercedes-Benz Group uses the audited results to adapt and further develop its resource conservation measures.

Group-wide resource management

GRI 2-12/-23/-24 GRI 3-3 GRI 303-1

In order to ensure efficient, high-quality and environmentally friendly production, the Group has established and certified an environmental management system in accordance with ISO 14001 at its own production locations worldwide. All German and the two European production locations in Kecskemét (Hungary) and Vitoria (Spain) are also validated in accordance with EMAS. Since 2012, the German production locations have also had energy management systems in accordance with ISO 50001, which the Group has certified every three years. Outside Germany the Mercedes-Benz Group currently operates ISO 50001 systems at individual locations, for example in Kecskemét (Hungary), Jawor (Poland) and Vitoria (Spain). Internationally, the Mercedes-Benz Group continued to press ahead with the introduction of certified energy management systems in accordance with ISO 50001 in the reporting year. New management systems were implemented at the locations in Pune (India) and Sebes (Romania). The individual divisions and production locations are similarly responsible for the conservative use of resources. They set overarching and location-specific targets and report on these topics to the respective management. This approach is derived from the target system adopted by the Board of Management as part of the sustainable business strategy.

With its environmental and energy management systems, the Mercedes-Benz Group ensures, among other things, clear responsibilities, transparent, standardised implementation of internal and external environmental protection and energy efficiency requirements, and comprehensive reporting at its production locations worldwide. As part of the local environmental management systems and the overarching Group-wide risk assessments, the Mercedes-Benz Group monitors the legal conformity of operations in the areas of waste management, airborne emissions, waste water discharge and soil/groundwater contamination in connection with the handling of environmentally hazardous substances. If any relevant shortcomings are identified, the Mercedes-Benz Group records and rectifies them.

To protect people and the environment, the safe and legally compliant use of hazardous substances must be ensured. To this end, the Mercedes-Benz Group has developed and implemented a comprehensive IT-supported hazardous substance management system at its German locations and individual locations outside Germany. This includes a series of internal guidelines and processes – including the approval of hazardous substances or the testing of substitute substances with lower risks. Compliance with the requirements is monitored by suitable control mechanisms. Various lists of substances for which there are legal or internal restrictions and bans are stored in the hazardous substance management system for this purpose. The former include the European REACH and POP regulations as well as the German Chemicals Prohibition Directive and the German Raw Materials Act; internal requirements include supply regulations. If products containing such substances are used, information is provided in the hazardous substance management system and appropriate measures are taken. In addition, important key figures on hazardous substance management are presented transparently at plant, department or cost centre level. In this way, unit-specific targets can be systematically defined and pursued. The Mercedes-Benz Group has also been working with the globally applicable “Handling of Hazardous Substances” standard since 2017, and has implemented this as an applicable standard accompanying the “Environmental and Energy Management” Group guideline. This includes specifications for the legally compliant use of hazardous substances, as well as corresponding specifications for substitution testing and therefore the use of less critical hazardous substances.

The effectiveness of the management systems is assessed both by external experts as part of the certification process (ISO 14001, EMAS, ISO 50001) and in the environmental area by means of internal environmental risk assessments (environmental Due diligence-process).

The Group developed an environmental due diligence method back in 1999 and updates it continuously in order to make potential environmental risks at the production locations transparent, assess them and prevent them as necessary. Since then, the Mercedes-Benz Group has applied these throughout the Group – both internally at all production locations in which the Group holds a majority stake and externally in merger and acquisition projects. Every five years, the Group assesses and evaluates its consolidated production locations according to a standardised process. The results are reported to the respective plant and business management so that necessary improvements can be made. In addition, the Group undertakes an annual review of the extent to which the recommendations for risk minimisation have been implemented at the locations. The aim of the environmental risk assessment is to maintain a high environmental standard at all production sites worldwide.

Measures and results

Training courses on environmental protection

The Mercedes-Benz Group organises regular environmental protection training courses at its locations. Important topics include waste and hazardous substance management, immission and water protection, waste water treatment, emergency management in the event of environmentally relevant operational disruptions, and environmentally friendly planning of plants and workplaces.

The content and frequency of the various environmental training courses, completion of which is in some cases mandatory, depend on personal responsibilities and functions in the Group, the local conditions and the current legal requirements.

Reduction of energy consumption

GRI 302-1/-3/-4/-5

The Group raises awareness of the topic of energy saving among the workforces at the plants – among other things with generally visible tips, training courses and other initiatives. The aim is to enhance awareness within the teams and to contribute actively to the shaping of sustainability issues. When procuring new production facilities and converting buildings, the Mercedes-Benz Group pays attention to high energy efficiency. The focus here is on the control of all technical equipment and components as well as transparent measurement of consumption values. It is important, for example, that the production facilities can be switched off during breaks and non-production time, and can also be operated efficiently under partial load.

The Mercedes-Benz Group regularly measures and assesses essential energy consumption in order to identify and take advantage of savings potential in the areas of production and infrastructure.

Innovative energy management software has been implemented Group-wide to create transparency regarding energy procurement and consumption. This is used to record and analyse the consumption for production plants and buildings, as well as for individual systems. In the event of any divergences, corresponding countermeasures will then be automatically introduced.

To save energy, for example, the Mercedes-Benz Group relies on efficient control of the energy supply and technical building systems, including demand-orientated local lighting control, air volume flow controls in supply and exhaust air systems and, load-dependent volume control of the air supply in paint dryers.

The Group also utilises intelligent robot control and highly efficient turbo-compressors for centralised compressed air generation. Other measures to increase energy efficiency include the refurbishment of ventilation systems with highly efficient heat recovery and the lighting technology already implemented at all locations, as well as a consistent reduction in base load in the administration and production areas.

The Mercedes-Benz Group also uses new technologies to further optimise existing energy-intensive processes. For example, an application with artificial intelligence (AI) regulates how the supply air is conditioned in a specific paint booth at the Rastatt plant (Germany). The function is to be integrated into further booths in order to reduce energy consumption even further.

Around 3% of the energy consumption per vehicle produced is accounted for by generating losses from electricity and heat production in Mercedes-Benz Cars' highly efficient combined heat and power plants.

The production locations of the powertrain plants produce products and parts sets for vehicles whose production volumes are not consolidated in the Group's balance sheet. Around 32% of the energy consumption of the powertrain plants is accounted for by these production items.

As a result of the implementation of these and other energy efficiency measures, energy consumption per vehicle at Mercedes-Benz Cars fell by 12% compared to 2022. At Mercedes-Benz Vans, energy consumption per vehicle is 8% lower than in the previous year owing to similar effects.

Mercedes-Benz Cars and Mercedes-Benz Vans consumed 4,943 GWh of electricity, natural gas, fuels and other energy sources in production in 2023, which was 7% less than in the previous year.

Specific energy consumption in production (in MWh/vehicle)[1]

GRI 302-3

	2023[5]	2022	2021	2020	2019
Cars[2]	**2.97**	3.36	4.09	3.72	3.22
hereof aggregate plants[3]	**1.17**	1.31	1.59	–	–
hereof car plants[4]	**1.80**	2.06	2.28	–	–
Vans	**2.26**	2.47	2.90	2.77	2.84

1 Incl. electricity, natural gas, district heating, heating oil and liquefied petroleum gas.
2 Separate reporting for aggregate plants as well as car plants from 2021.
3 Production of vehicle components.
4 Final assembly of vehicles.
5 The key figures were audited in order to obtain "limited assurance".

Energy consumption (in GWh)

GRI 302-1

	2023[3]	2022	2021[2]
Electrical power	**2,340**	2,481	2,492
Natural gas	**2,331**	2,531[4]	3,101[4]
Biogas	**29**		
District heating	**567**	597	733
Heating oil	**78**	78	39
Liquefied petroleum gas	**38**	37	52
Hydrogen	**15**	0	–
Fuels[1]	**331**	363	370
Total	**5,729**	**6,087**	**6,786**
thereof total in production	**4,943**	5,294	5,741

1 Since 2017, in addition to the fuel used in test beds and emergency power generators, the fuel used in company vehicles is also carried on the balance sheet.
2 Due to the spin-off and demerger of the Daimler commercial vehicle business as an independent company, the data has been adjusted, but still contains some minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the 2022 business year.
3 The key figures were audited in order to obtain "limited assurance".
4 Biogas was reported within natural gas until 2022.

In 2023, the Mercedes-Benz Group transferred a total of 505.7 GWh of externally sourced energy (electricity, natural gas and hot water) to third parties. This figure has already been subtracted from the total energy consumption of the Group as reported.

The Mercedes-Benz Group in China

	Beijing Benz Automotive Co., Ltd.	Fujian Benz Automotive Co., Ltd.
Ownership	51% BAIC 38.665% Mercedes-Benz Group AG 10.335% Mercedes-Benz Group China Ltd.	50% Mercedes-Benz Vans Hong Kong Limited 35% BAIC Motor Corporation Ltd. 15% Fujian Motor Industry Group Corporation
Location	Beijing	Fuzhou
Production volume in 2023	573,029 units	33,256 units
Production	E-Class L/C-Class L/A-Class L/AMG A35L/ GLC/GLB/GLA/EQE/EQE SUV/EQB/EQA	Vito/V-Class
Energy consumption	1,027.7 GWh thereof electricity: 548.7 GWh thereof natural gas: 479.0 GWh	98.6 GWh thereof electricity: 47.5 GWh thereof natural gas: 51.1 GWh

Efficient water utilisation

GRI 303-1/-2/-3/-4/-5

With the increasing occurrence of extreme weather events such as droughts and heavy rainfall, efficient water utilisation is becoming more important. To continue to fulfil its social responsibility and make an effective contribution to more sustainable water management, the Mercedes-Benz Group therefore revised its water policy in 2022. It is based on the following strategic pillars: "Fresh water protection including reduction of consumption", "Efficient use and treatment of waste water" as well as "Avoidance of soil and groundwater degradation and flood protection". The Group also set itself the goal of not using drinking water for production purposes at any Mercedes-Benz production plants worldwide. In addition, precipitation and surface water are to be used to a greater extent where this makes sense given the site-specific conditions.

To enable the locations to introduce targeted measures, the Mercedes-Benz Group developed the "Storm Water Protection – Pollutant Discharge Elimination" standard back in 2014. It contains guidelines on how rainwater management at production locations, own-retail outlets and workshops can prevent and minimise potential pollution from previously contaminated rainwater.

In order to monitor and evaluate its water consumption, the Mercedes-Benz Group has been using its own accounting method for many years, which is based in particular on fresh water. According to the report, water consumption per vehicle at Mercedes-Benz Cars fell by a total of 8% in the reporting year compared to 2022. Mercedes-Benz Vans was able to reduce the water consumption per vehicle by 6% compared to the previous year.

In the reporting year, the Group also adopted an accounting method in accordance with the standards of the Global Reporting Initiative (GRI) and the CDP. In the reporting year, the Mercedes-Benz Group's water consumption in production totalled 1.913 million m³ according to GRI/CDP. The specific water consumption according to GRI/CDP is 1.15 m³/vehicle for Mercedes-Benz Cars and 0.91 m³/vehicle for Mercedes-Benz Vans. Owing to deducted water recirculation (e.g. wastewater quantities), these results are significantly lower than the aforementioned results according to the previous accounting method, which only show the fresh water consumed by Mercedes-Benz Cars and Mercedes-Benz Vans.

Specific water consumption in production (in m³/vehicle)

Mercedes-Benz calculation					
	2023[1]	2022	2021	2020	2019
Cars	**4.03**	4.36	4.87	4.65	4.06
Vans	**3.32**	3.53	4.09	4.15	3.7

Calculation in accordance with GRI/CDP	
	2023[1]
Cars	**1.15**
Vans	**0.91**

1 The key figures were audited in order to obtain "limited assurance".

At Mercedes-Benz Group, only renewable fresh water (≤1,000 mg/l total dissolved solids – TDS) is used. Seawater/brackish water or other water (>1,000 mg/l TDS) is not used. In addition, the sector-specific water types "produced water", "enclosed water" and "cooled water" do not play any role in this form at the production locations. Nor is any waste water or process water retained. To reduce the amount of water required, and thus the amount of water withdrawn, it is processed, recycled and reused wherever possible.

The Group launched its first project in this area at the Sindelfingen location (Germany) in June 2023 together with the municipal waste water disposal company. The objective: thanks to a closed cycle, fresh water for production is largely replaced annually by treated municipal waste water. In 2023, a total of 123,000 m³ of fresh water was saved in this way. The Mercedes-Benz Group is conducting feasibility studies in other plants to determine whether recycled waste water can be used. In order to further minimise the use of fresh water, the Mercedes-Benz Group also relies on the use of closed and hybrid cooling systems.

Water withdrawal (in 1,000 m³)

GRI 303-3

	2023[2]	2022	2021[1]
External procurement (potable water)	**5,116**	5,111	5,128
Well water (own wells)	**2,106**	2,053	2,133
Surface water	**144**	110	152
Utilised rainwater	**16**	21	42
Total	**7,382**	**7,295**	**7,454**
thereof total in production	**6,738**	6,776	6,890

1 Due to the spin-off and demerger of the Daimler commercial vehicle business as an independent company, the data has been adjusted, but still contains some minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the 2022 business year.
2 The key figures were audited in order to obtain "limited assurance".

In 2023, the Mercedes-Benz Group transferred a total of 155,000 m³ of the externally sourced water and water extracted from wells to third parties. This quantity has already been subtracted from the total reported water consumption of the Group. In 2023, the Mercedes-Benz Group discharged a total of 4,938,325 m³ as waste water in the form of indirect discharges.

The pre-treated process waste water from production and the sanitary waste water are sent to the municipal sewage treatment plants for treatment in accordance with legal requirements. In order to minimise the risk of water pollution, regular waste water inspections are carried out and documented.

Wastewater volume (in 1,000 m³)

GRI 303-4

	2023	2022	2021
Direct discharge	**340**	226	259
Indirect discharge	**4,938**	4,655	4,756
Total	**5,278**	**4,881**	**5,015**

Wastewater direct discharges

GRI 303-4

	2023	2022	2021
Chemical oxygen demand (COD) (in t)	**6**	7	9
Zinc (Zn) (in kg)	**2**	0	2
Nickel (Ni) (in kg)	**44**	24	19
Total chrome (Cr) (in kg)	**0**	0	0

Assessing water-related risks

At Mercedes-Benz locations, the Mercedes-Benz Group also assesses water risks every five years as part of its environmental risk assessments. The focus is on water withdrawal, waste water treatment, discharge, contamination, flooding, scarcity and retention in an emergency. If necessary, remedial measures are initiated and their implementation is monitored. This ensures that technical and organisational risks are reduced in a demonstrable manner.

Mercedes-Benz AG also uses the “Water Risk Filter” of the World Wide Fund For Nature (WWF) and the “Aqueduct Water Risk Atlas” assessment tool of the World Resources Institute (WRI) to identify locations with water-related risks. Analyses were carried out at all production locations in the reporting year. Corresponding data relating to water withdrawal and water consumption is available for all production locations (including for areas with a higher risk of water stress). Data on recirculation is available for individual production locations with a higher water risk.

Less waste

GRI 306-1/-2/-5

The Mercedes-Benz Group has the goal of keeping the amount of waste generated in production as low as possible. To this end, it aims to steadily reduce total waste, including waste for disposal.

In line with the waste hierarchy, the primary goal of the Mercedes-Benz Group is to avoid waste. The following then apply, in decreasing order of priority: reuse, recycling and reprocessing. The Mercedes-Benz Group disposes of the waste only if none of these four measures can be applied. Approx 0.9% of Mercedes-Benz Cars waste had to be disposed of accordingly in the reporting year.

In order to reduce total waste, it is important to create transparency about the waste value streams and to correctly separate the different types of waste. In Europe, for example, the Mercedes-Benz Group records waste according to waste code numbers and treats and disposes of it in accordance with the legal regulations. For the professional disposal of waste, the Mercedes-Benz Group always works with licensed and regularly certified waste disposal companies. It also continues to reduce waste such as offcuts, sand, filter materials and sludges through new or optimised production processes. For example, a process adjustment in Kecskemét (Hungary) led to a saving of 100 tonnes of cleaning fluids in the reporting year, which had previously been disposed of as waste.

The Sindelfingen, Rastatt and Hamburg (Germany) and Tuscaloosa (USA) locations also pass on disposable wooden pallets that were previously disposed of for a second lifecycle outside the Mercedes-Benz Group. This saves up to 200 tonnes of waste per year in Rastatt, for example.

Following the successful launch of a pilot project for recycling safety footwear in Sindelfingen, it was extended to Rastatt and Untertürkheim (Germany) in the reporting year. Instead of thermally recycling the worn collected shoes, a specialised disposal company processes them. This means that some components can be reused elsewhere as secondary raw materials.

Pyrotechnical waste classified as hazardous, such as airbag modules or belt tensioners, previously had to be disposed of at the expense of energy. Since 2023, airbags have been detonated by specialists in a special mobile container at the Sindelfingen plant. The materials removed can be segregated as non-hazardous waste and reused by upcycling, e.g. as bag linings.

The Mercedes-Benz Group also works with its suppliers to avoid waste: load carriers and materials for load securing, as well as steel drums, e.g. for heat-conducting pastes, adhesives or lubricants, are fed into a material cycle and can be reused from then on.

Waste by waste type (in 1,000 t)

GRI 306-3/-4/-5

	2023[2]	2022	2021[1]
Non-hazardous waste for disposal	**3**	5	7
Non-hazardous waste for recycling[3]	**145**	135	151
Scrap for recycling	**403**	427	433
Hazardous waste for disposal	**6**	8	8
Hazardous waste for recycling[3]	**48**	47	51
Total	**605**	**622**	**651**
thereof total in production	**565**	584	610

1 Due to the spin-off and demerger of the Daimler commercial vehicle business as an independent company, the data has been adjusted, but still contains some minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the 2022 business year.
2 The key figures were audited in order to obtain “limited assurance”.
3 Incl. energy recycling.

In the reporting year, Mercedes-Benz Cars reduced the total waste per vehicle by 9% and the amount of waste for disposal per vehicle by 42% compared to 2022. At Mercedes-Benz Vans, the total waste per vehicle increased by 16% in the reporting year compared to the previous year, but the amount of waste for disposal per vehicle fell by 21%. Owing to a process change, external processes were integrated into our own production plant, and the excess quantities are being reduced with the aforementioned measures.

Specific waste in production (in kg/vehicle)

GRI 306-3

	2023[1]	2022	2021	2020	2019
Waste (Cars)					
Non-hazardous waste for disposal	**1.5**	2.0	3.1	6.0	11.6
Non-hazardous waste for recycling (excluding scrap)	**83.2**	86.2	112.5	87.2	75.4
Scrap for recycling	**285.2**	315.5	357.0	377.2	346.1
Hazardous waste for disposal	**2.0**	4.0	3.5	4.9	2.1
Hazardous waste for recycling	**29.3**	30.9	37.8	35.0	32.0
Total production waste (Cars)	**401.2**	**438.7**	**513.9**	**510.2**	**467.2**
thereof total waste for disposal (Cars)	**3.5**	6.0	6.7	10.8	13.7
Waste (Vans)					
Non-hazardous waste for disposal	**1.7**	3.1	4.5	5.3	7.0
Non-hazardous waste for recycling (excluding scrap)	**55.2**	39.1	30.1	33.6	41.0
Scrap for recycling	**27.3**	26.3	27.9	33.8	39.7
Hazardous waste for disposal	**7.4**	8.3	11.0	10.7	11.5
Hazardous waste for recycling	**11.8**	12.3	12.2	12.2	12.3
Total production waste (Vans)	**103.3**	**89.2**	**85.8**	**95.8**	**111.5**
thereof total waste for disposal (Vans)	**9.1**	11.4	15.6	16.1	18.5

1 The key figures were audited in order to obtain “limited assurance”.

Waste and CO_2 emissions in the catering sector
Food and drinks offered in canteens and shops throughout Germany can have a negative impact on the environment through their production, distribution and disposal. The aim of Mercedes-Benz Gastronomie GmbH is to continually reduce the carbon footprint and amount of food waste, with packaging that is as environmentally friendly as possible.

Unavoidable disposable packaging is made from renewable raw materials that are biodegradable or recyclable. However, the focus is on more sustainable, reusable alternatives, which saved 53,000 items of disposable packaging in the reporting year.

In 2023, 54% of food was sourced regionally. The associated shorter transport routes have a positive effect on the carbon footprint of the food, which is also shown for all dishes on the menu. The vegan menu also has a positive impact on the balance; this was already chosen by one in four guests in 2023 (share of all three available menus). CO_2 emissions from purchased and produced food were further reduced in the reporting year compared to the previous year, from 1.81 kg to 1.77 kg CO_2e per transaction.

Mercedes-Benz Gastronomie GmbH also works conscientiously to avoid food waste. For this purpose, the company continuously weighs its food waste, compares it between locations and identifies appropriate measures. In this way, it can avoid overproduction and reduce the number of meals still on offer when service ends. The measures are also enshrined in the local environmental protection and energy targets of the Mercedes-Benz Group.

Biological diversity

GRI 3-3 GRI 304-1/-2/-3/-4

The decline of biodiversity is a global problem that is steadily growing. The Mercedes-Benz Group also bears responsibility in this regard, since the use of land and resources, the emission of pollutants and production-related interference with the environment can have a negative impact on biodiversity. The Group is aware of this. For this reason, the Mercedes-Benz Group aims to act in an environmentally conscious manner at all locations and continuously improve its operational environmental performance. This also includes actively promoting and preserving biodiversity at the production locations. The Group is committed to the three fundamental objectives of the Convention on Biological Diversity (CBD): conservation of biodiversity (genetic diversity, species diversity, habitat diversity), sustainable use of biodiversity and equitable sharing of the benefits arising from the utilisation of genetic resources. In the reporting year, the Mercedes-Benz Group adopted and published its Biodiversity Policy.

Site profiles are created as part of a due diligence process to assess environmental protection at the plants. Among other things, the degree of site isolation, the hydrogeological situation, the official classification of the site and its neighbourhood as well as the presence of ecologically sensitive areas or protected zones in the vicinity are recorded and taken into account in the further analysis of the local risks. When planning locations, the Group takes into account factors such as the amount of land required for construction projects. This should be kept as low as possible – for example through multi-storey, dense building construction.

Surface areas

	2023	2022	2021
Factory premises (in km²)	**33**	28	28
Degree of soil sealing (in %)	**60**	61	60

Some of the German plants of the Mercedes-Benz Group evaluate their sites using the Biodiversity Index (BIX), which was developed in-house. Gradations of the BIX range from value level 0 (area of no ecological importance) to value level V (very high ecological importance) and can measure areas accordingly in terms of their potential for enhancing biodiversity.

In addition, the Mercedes-Benz Group has developed internal recommendations for action on biodiversity for the German locations, which provide practical tips for designing nature-friendly areas in the plants. It has also developed recommendations for its locations on greening roofs and façades.

Group-wide measures to recognise and promote biodiversity are initiated by the Environmental and Energy Management unit. The Mercedes-Benz Group's Environmental and Energy Officer also represents environmental and energy issues in the Group Sustainability Committee, the central management body for sustainability issues. At the executive level (plant management), biodiversity aspects are also part of the Environmental Management Assessment Process at the individual locations.

At its plants, the Mercedes-Benz Group has already established numerous measures designed to maintain the ecological balance. These will continue to be extended in the future. For example, nesting boxes for native birds and insects have been built, the latter by local workshops employing people with disabilities. In addition, wild bee hotels, living roofs, dry brooks, stone areas as habitats for cold-blooded animals, rock gardens and flower meadows have been created. If it is not possible to establish supportive or compensatory measures directly at the company's locations, the Mercedes-Benz Group will create substitute habitats. The German environmental organisation NABU has provided advice, support and documentation for our programmes benefiting the flora and fauna at these locations. The measures were decided individually at the level of the plant locations and their management and implemented in cooperation with the environmental protection and technical services departments along with the plant planning departments.

Beyond its operational business activities, the Group also supports projects to promote biodiversity and the restoration of ecosystems, for example by organisations and foundations such as the Global Nature Fund. The Mercedes-Benz Group is also involved in various associations, committees and sustainability initiatives. The Group uses regular internal communication measures to sensitise its employees to the importance of biodiversity, and thus works towards achieving its goals.

The Mercedes-Benz Group is also driving the issue forward in the supply chain: it imposes minimum requirements on its partners, which are set out in the Responsible Sourcing Standards (RSS) – the Group's central contractual document for sustainability requirements on the part of suppliers. These aim to ensure that suppliers also conserve natural resources and avoid environmental damage caused by economic activities. Furthermore, business activities must not contribute to or benefit from illegal changes to natural ecosystems. The Group also requires its partners to take appropriate due diligence measures for their own supply chains.

↗ Climate protection in the supply chain – Minimum requirements for suppliers

Further tables of key figures

Production figures (in units)[1]

	2023[2]	2022	2021	2020	2019
Cars	**1,306,966**	1,261,106	1,132,213	1,230,733	1,593,476
Vans	**397,996**	360,874	336,847	323,907	369,191

1 Only of fully consolidated locations, excl. other makes.
2 The key figures were audited in order to obtain "limited assurance".

SOCIAL

People

Materiality and goals

GRI 3-3

HR work in the transformation	Target horizon	Status as of 2023
Shape the transformation of the Mercedes-Benz Group for its employees in a responsible, socially acceptable and future-oriented manner	Ongoing	
Ensure lasting constructive cooperation between the company and employee representatives	Ongoing	
Further develop the “People Principles” and embed them in the Group; create a common understanding of an agile and innovative leadership culture in the transformation process	Ongoing	
Ensure market-conformant salary structures through compliance with the Corporate Compensation Policy	Ongoing	
Support and further develop flexible and modern working time models	Ongoing	
Increase the Group’s attractiveness as an employer for digitally talented people: Top 5 in the target ranking[1]	2030	
Milestone: Top 7 in the target ranking[1]	2025	Top 9
Training and further qualification		
Ensure a high-quality and a needs-based professional portfolio for training and dual study programmes	Ongoing	
Empower over 70% of employees to work successfully in the digital transformation[2]	2030	
Continuously develop the qualification programme for employees	Ongoing	
Diversity and inclusion		
Improve inclusion for all employees in the Group	Ongoing	
Milestone: Increase inclusion for all employees in the Group according to the approval rate for the “Inclusion Index”[3] to at least 75%	2030	
Increase the proportion of women in senior management positions[4] to 30%.	2030	25,7%
Occupational health and safety		
Enable employees to work in a healthy and safe environment	Ongoing	
Strengthen a sustainable safety culture by developing and communicating binding rules of conduct	Ongoing	
Offer employees a medical health check	2025	
Provide the workforce in Germany with programmes to strengthen resilience and mental health	2023	Target achieved
Use a globally uniform accident documentation system and introduce it at the German production sites	2023	Target achieved
Further advance the digitisation of health management	Ongoing	

1 Target ranking in study by “Trendence” (survey period from April 2022 to March 2023) among IT students (Germany). The survey results of the “Trendence” employer ranking 2023 do not take into account the split of the former Daimler AG at the end of 2021 into the two company groups Mercedes-Benz Group and Daimler Truck Group.
2 Employee survey (survey period from September 2023 to October 2023): approval rate for development of skills for the digital transformation.
3 Employee survey (survey period from September 2023 to October 2023): approval rate for fair treatment regardless of ethnicity, gender, age, disability or other differences unrelated to job performance.
4 Management level three and higher, Mercedes-Benz Group worldwide (headcounts, fully consolidated companies).

A sustainably successful company not only needs the right business models, products, technologies or digital solutions. At least as important is a workforce that embraces change in times of transformation, constantly expands its expertise and brings this to its daily work with a willingness to innovate and perform.

As a result of electrification, digitisation and the increasing use of powerful artificial intelligence (AI) systems, the job profiles of employees are also changing. Work processes and structures are changing just as fundamentally as tasks and cooperation within the Mercedes-Benz Group.

The aim of the Mercedes-Benz Group is to manage the upcoming changes for the 166,051 employees[1] worldwide in a responsible, socially compatible and future-oriented manner. It meets the challenges and requirements of the personnel transformation with a corresponding personnel strategy, among other things. The prerequisite for a successful transformation is the ability to adapt to a changed environment.

The Mercedes-Benz Group continuously invests in the training of its employees, is constantly expanding its range of further qualification programmes and at the same time recruits new talent with the appropriate skill profiles. In order to attract them and retain them in the long term, the Mercedes-Benz Group seeks to create and further expand an attractive and sustainable working environment for its workforce, including flexible forms of work. Especially in challenging times, employees and managers need to work together in a spirit of respect and trust: this is why the Mercedes-Benz Group promotes a diverse and inclusive corporate, management and collaboration culture.

At the same time, the Group seeks to ensure a healthy and safe working environment for its employees.

HR work in the transformation

Strategy and concepts

Organisation and control

GRI 3-3

The human resources department (HR) of the Mercedes-Benz Group acts as a business partner for the Group's own divisions. So-called "Global Functional Teams" such as "Attract & Hire" or "Compensation & Benefits" ensure standardised strategic management worldwide. The HR unit is represented on the Board of Management of Mercedes-Benz Group AG as an independent personnel department. Within this department there is a decision-making and committee structure at various management levels.

The personnel strategy of the Mercedes-Benz Group

GRI 2-23/-24

The mission of the human resources department at the Mercedes-Benz Group is: "People are our business. We build the future." HR employees also act according to this principle: people make the difference.

Based on this attitude, the Board of Management directorate was given a new name in 2023: Human Resources became Human Relations. The new name reflects the fact that cooperation with people is at the centre of the Mercedes-Benz Group's HR work and that the HR department offers employees the best possible support in order to shape the Group's future together. In addition to an attractive product portfolio, changing structures and new skills in the HR organisation are needed to put this principle into practice: a new internal collaboration model and a modern IT landscape take account of the changing needs of employees in HR itself and throughout the Group.

1 As of: 31 December 2023; active workforce (employees without holiday workers, thesis writers, interns, working students, PhD students, senior experts and trainees) of Mercedes-Benz Group.

In 2021 the Mercedes-Benz Group revised its HR strategy in the spirit of responsible and socially acceptable transformation. With the HR strategy, the HR unit is shaping the personnel change of the Mercedes-Benz Group by supporting and guiding employees through the transformation. The strategy is based on the following three pillars: Re-Shape, Re-Skill, Re-Charge.

- "Re-Shape" supports the future-oriented positioning of the Group with regard to electromobility and digitisation.
- The aim of "Re-Skill" is to ensure that employees are equipped with the necessary know-how for future activities and tasks.
- With "Re-Charge", the Mercedes-Benz Group is pursuing the goal of retaining trained specialists in the Group through attractive, modern and flexible working conditions and an inclusive, trusting corporate culture, and attracting new talent as an attractive employer.

Sustainability, integrity and diversity as a foundation as well as the "People Principles" complement the HR strategy and are intended to provide support and guidance for day-to-day activities.

↗ Diversity and inclusion

↗ HR work in the transformation – Leadership culture

Firmly establishing working and social standards

GRI 2-23/24 GRI 3-3

The Mercedes-Benz Group stands by its social responsibility. As a participant in the UN Global Compact, Mercedes-Benz Group AG undertakes, among other things, to comply with key labour rights and is committed to the ten principles on which the UN Global Compact (UNGC) is based. Based on the labour and social standards of the International Labour Organization (ILO), Mercedes-Benz Group AG revised and supplemented its own Group-wide principles of social responsibility in 2021 and published them as the "Principles for Social Responsibility and Human Rights".

↗ Social compliance – Principles

Reported violations of this Declaration of Principles or other internal and statutory regulations that pose a high risk to Mercedes-Benz Group AG and its employees or other persons are followed up with the help of the BPO (Business & People Protection Office) whistleblower system.

↗ Compliance management – The Whistleblower System BPO

Temporary work as an additional flexibility reserve

GRI 2-8 GRI 3-3

Cooperation with external service providers and temporary employment agencies is an important factor for flexible personnel planning: by employing temporary staff in Germany, it can react more flexibly to fluctuating production requirements and market conditions.

The Mercedes-Benz Group in Germany has entered into agreements so as to react flexibly to market fluctuations and retain the regular workforce and jobs within the Group. For the locations (plants and headquater) of Mercedes-Benz Group AG and Mercedes-Benz AG in Germany[2], the provisions of the "DMove" general works agreement were extended until the end of 2024. The Mercedes-Benz Group concept: temporary employees complement the core workforce, they do not replace it.

Measures and results

Responsible transformation

The locations and thus also the various employee groups of the Mercedes-Benz Group are affected in varying degrees by the digitisation and electrification of the transport sector, depending on their product portfolio and size. A successful and responsible transformation process requires goals, and measures that are aligned with them. To this end various locations –

2 Excl. logistic center.

primarily the powertrain and manufacturing plants, but also the sales organisation – have developed target scenarios for their transformation process. Derived from these targets, the locations have identified key topics with corresponding measures. These above all include training and retraining programmes for employees. The Group also makes it possible to move between different locations, in order to take on new jobs or continue to work at the same level of qualification.

↗ Training and further qualification – Qualification and learning programmes for employees

One focus of HR work at the Mercedes-Benz Group is to win over, motivate and empower employees for transformational change. In 2022, in the “Powertrain network” the “TransformatiON “ initiative was launched, for example. With this initiative, the Group wants to explore new communication channels in order to better inform, involve and support employees in times of change. Together with the management, key challenges for the workforce during the transformation are identified and solutions are then developed. In doing so, “TransformatiON” focuses increasingly on information, interaction, dialogue and feedback as central building blocks, including digital products (e.g. the “TransformatiON Mercedes-Benz” app) for employees in the production environment. In the reporting year, an additional focus was placed on supporting and assisting affected managers.

In addition to courage, commitment and a willingness to change, shaping the transformation successfully also requires security. For this reason, in 2017, job security was agreed for the employees of Mercedes-Benz Group AG, Mercedes-Benz AG and Mercedes-Benz Intellectual Property GmbH & Co. KG until the end of 2029. This works agreement generally excludes business-related layoffs until 31 December 2029.

Leadership culture

GRI 404-3

The leadership culture has a special role and responsibility in the transformation. The Mercedes-Benz Group is therefore constantly developing its leadership culture and the way it works together. Based on the Group-wide “People Principles” – “Customer Orientation”, “Purpose Driven”, “Agility”, “Empowerment”, “Driven to Win”, “Pioneering Spirit”, “Learning” and “Co-Creation” – the various divisions and departments can set their own priorities and develop their own measures. They serve as the basis for management and cooperation within the Mercedes-Benz Group. Current offers and impulses support managers in their sustainable further development and lifelong learning. As learning and cultural development take place at all levels, the Group introduced a format tailored to top management in the reporting year, in the form of the “Executive Inspiration Talks”. External impulses on the topic of leadership culture are combined with networking and cross-functional dialogue.

The hybrid working environment has changed the demands placed on managers within the Group. In order to provide managers with the best possible support in their role and tasks, the Mercedes-Benz Group offers training courses on the opportunities and parameters of management and is constantly developing these further. As part of this, the Group has developed the digital development programme “Gear-up – increase your leadership impact”. The managers specifically address the new leadership challenges with regard to innovation, collaboration, sustainable development and personal resilience.

↗ Training and further qualification – Management development

Another programme, “Shaping the Future – Leading for Success”, focuses on the topic of strategy implementation and shaping transformation. Here, it is about the complex environment and the resulting, challenging steering and management. In-house and external experts give presentations that provide new impulses as well as space for exchange and dialogue. Both programmes are offered to managers who have been nominated in advance by their division and the HR department.

In order to continuously improve its leadership and corporate culture, and further develop the working culture in the transformation process, the Mercedes-Benz Group conducts a comprehensive worldwide survey of its employees every two years. This was last done in 2023. The survey is an important indicator of where the Group stands on various issues from the viewpoint of its employees – and where there is potential for improvement. With the help of the employee survey, the Group companies receive extensive feedback from employees. Employees and managers also have access to other feedback options. 86% of all employees took part in the Group-wide employee survey in 2023. The survey revealed that 77% of the employees surveyed are satisfied or very satisfied with the Mercedes-Benz Group as an employer.

Modern, attractive working conditions

Employees and new talents expect modern and attractive environmental and working conditions that are adapted to their needs and continuously developed. In order to meet these requirements, the Mercedes-Benz Group is creating an appropriate working environment – and offers employees competitive and attractive remuneration, flexible working time models and the opportunity to combine work and private life.

One indicator of employee satisfaction with working conditions and loyalty to the Mercedes-Benz Group is the average length of time worked for the company. Group-wide, this amounted to 16.8 years in the reporting year. In 2023, employees in Germany had worked for the company for an average of 19.7 years. Outside Germany, the average length of service was 9.8 years. The global employee turnover rate of the Mercedes-Benz Group was 6.5% in 2023.

Fluctuation rate (in %)[1]

GRI 401-1

	2023	2022[2]	2021[2, 3]
Europe	**5.7**	6.1	7.5
of which Germany	**5.4**	5.6	7.2
NAFTA	**13.2**	17.7	13.9
Asia	**7.1**	10.2	11.0
Rest of world	**8.4**	6.9	9.1
Total	**6.5**	**7.3**	**8.7**

1 Regular workforce (permanent employees) of Mercedes-Benz Group.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.
3 As these are average figures, Daimler Trucks & Buses is included in Q1-Q3 2021.

Fluctuation rate of female employees (in %)[1]

GRI 401-1

	2023	2022[2]	2021[2, 3]
Europe	**5.2**	5.7	8.3
of which Germany	**4.7**	4.6	7.9
NAFTA	**16.9**	19.9	13.3
Asia	**6.7**	9.0	12.7
Rest of world	**7.3**	7.7	7.8
Total	**6.8**	**7.6**	**9.4**

1 Regular workforce (female permanent employees) of Mercedes-Benz Group.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.
3 As these are average figures, Daimler Trucks & Buses is included in Q1-Q3 2021.

Attractive and transparent remuneration

GRI 2-19/-20/-21/-30 GRI 401-2 GRI 405-2

The Mercedes-Benz Group remunerates work performed in all companies worldwide according to the same principles. The Corporate Compensation Policy, which is valid for all employee groups, establishes the framework conditions and minimum requirements for the structuring of remuneration systems. This stipulates, among other things, that the level of remuneration is based on the requirements of the assigned work task – taking into account e.g. knowledge and ability, responsibility and scope for decision-making – and, if applicable, the person's performance, but not on gender, origin or other personal characteristics. At the same time, the Group also takes into account the conditions in the local markets and benchmark data. That is because the Mercedes-Benz Group strives to offer salaries and fringe benefits to its employees that are in line with the market and the industry.

In 2023 the Group had an average active workforce of 168,336 employees (including holiday workers) worldwide:

- €13,848 million for wages and salaries
- €2,376 million for social security
- €409 million for pensions

The HR departments of the companies regularly hold rounds of talks to review the salary levels of employees and managers. In this way, the Mercedes-Benz Group ensures transparency in salary decisions in compliance with data protection regulations.

In companies bound by collective agreements, such as Mercedes-Benz Group AG, the collective agreements provide employees with additional rights: Among other things, they can object to their placement in a specific salary group or to the results of their performance assessment.

There is a standardised management process between employees and the respective manager for persons who are employed outside of production at Mercedes-Benz Group AG, Mercedes-Benz AG and Mercedes-Benz Intellectual Property GmbH & Co. KG in Germany. This was introduced together with the Remuneration Framework Agreement (ERA) in 2007, applies to employees below management level four and is limited to one year in each case. Agreements on professional development are also made as part of the process. A standardised performance-related remuneration scheme applies to employees of Mercedes-Benz Mobility AG and Mercedes-Benz Bank AG, including its subsidiaries that are part of collective agreements. There is an annual target salary in accordance with the respective remuneration group from the service supplementary collective agreement of 1999. This consists of a fixed and a variable component. The variable portion also takes sustainability aspects into account, among other topics. A performance appraisal process is carried out annually and targets are agreed for the upcoming year.

The remuneration arrangements and pay scales for employees covered by collective agreements at Mercedes-Benz Group AG, Mercedes-Benz AG, Mercedes-Benz Mobility AG, Mercedes-Benz Bank AG and Mercedes-Benz Intellectual Property GmbH & Co. KG can be viewed on the Social Intranet. Employees can find out about their pay composition and level and view or query their peer groups there.

In addition, employees and managers of Mercedes-Benz Group AG and its subsidiaries covered by collective agreements benefit from largely voluntary benefits agreed with the respective employee representatives. These include employer-financed contributions to the company pension scheme or opportunities to take out an employee-financed pension scheme or acquire employee shares. In many cases, employees who are subject to collective bargaining agreements can also participate in profit-sharing arrangements at their respective company. Sustainability aspects are also taken into account when measuring the company's success. Depending on the results, employees of Mercedes-Benz Group AG, Mercedes-Benz AG and Mercedes-Benz Intellectual Property GmbH & Co. KG who are covered by collective wage agreements and executives at management level four "Executive" receive a performance/profit-sharing bonus since 2023.

The variable remuneration for activities in management positions at levels one to three comprises both a short-term and, as a rule, a long-term component. The short-term component is measured against financial as well as transformation and non-financial targets. The long-term component is also based on financial targets and, since 2023, also on environmental social governance (ESG) targets. The variable remuneration targets support the Group strategy with regard to the defined future areas as well as sustainability and ESG aspects. The components take into account, among other things: CO_2 emissions, safety innovations, quality, customer satisfaction, employee commitment, integrity, proportion of electric vehicles worldwide, review of high-risk materials along the supply chain, as well as diversity and equal opportunities.

With internal audits, the Corporate Audit department examines annually and on a random basis whether selected aspects of the remuneration guideline are being observed. As part of these audits, no material breach of the guideline was identified in 2023.

↗ Remuneration Report 2023

↗ Disclosure Report Mercedes-Benz Bank 2023

Flexible working time models

GRI 401-1/-2/-3 GRI 404-2

The Mercedes-Benz Group is continuously developing its working culture – and therefore its working models. It is increasingly focusing on hybrid forms of work, a mix of attendance and working from home depending on tasks and work processes. Employees and managers decide together what the optimum combination of mobile working and attendance looks like for each individual – wherever the job allows it. The aim is to obtain a good balance between mobile working and attendance that allows the best results to be achieved. The "Remote Working" general works agreement, valid since 2016, was converted into a group works agreement at the beginning of 2023. Thereby, and through the ongoing exchange with the works council, the Group is creating the necessary framework conditions for hybrid working models in Germany and developing them further. For example, employees of the Mercedes-Benz Group in Germany have been able to temporarily work remotely from abroad for private reasons since March 2023.

Depending on local conditions, Mercedes-Benz Group AG, Mercedes-Benz AG, Mercedes-Benz Mobility AG and Mercedes-Benz Bank AG offer different working time models. These include e.g. part-time work or job sharing. In 2023, the part-time ratio was 8.8%[3]. There were 238 tandems in the job-sharing model at management level in the reporting year.

In addition, employees of Mercedes-Benz Group AG, Mercedes-Benz AG, Mercedes-Benz Mobility AG, Mercedes-Benz Bank AG and other subsidiaries can arrange a sabbatical – from three months to one year. Employees can also agree to take a sabbatical of three to five years for educational purposes, e.g. a course of study. Subsequent reinstatement is guaranteed.

Balancing profession and private life

GRI 401-2

In addition to various working time models, the Mercedes-Benz Group offers further support to employees who have children or care for relatives: employees in Germany have access to around 590 childcare places in eleven company daycare centres. In addition, there are more than 160 other dedicated places at various locations in Germany.

The Mercedes-Benz Group also makes it easier for its employees in Germany to return to work after parental and family leave: for example, they can obtain news from the Group on the Social Intranet and access the internal job exchange during their parenting and family time. The Mercedes-Benz Group in Germany also supports mothers and fathers with individual counselling services and online events during the transition to parental leave, and in keeping in touch during the period of leave.

In 2023, 3,752 employees of Mercedes-Benz Group AG, Mercedes-Benz AG, Mercedes-Benz Mobility AG and Mercedes-Benz Bank AG were on parental leave.

Since spring 2022, all employees of Mercedes-Benz Mobility AG and Mercedes-Benz Bank AG, including subsidiaries in Germany, have been able to access an external online platform with support services on family work and care topics that help them to achieve a better work-life balance.

Employees of the Mercedes-Benz Group in Germany who are caring for relatives can contact an external counselling service and obtain information on specific topics at digital care events. Furthermore, they can take up to four years off work – with a promise of reinstatement – beyond the statutory options or reduce their working hours for a limited period as required.

3 Mercedes-Benz Group AG, Mercedes-Benz AG, Mercedes-Benz Mobility AG and Mercedes-Benz Bank AG.

Employees entitled to parental leave and employees on parental leave

GRI 401-3

	2023	2022[4]	2021[4]
Employees entitled to parental leave[1]	**104,679**	**105,369**	**106,699**
thereof men	**85,900**	87,128	88,605
thereof women	**18,779**	18,241	18,094
Employees on parental leave[1, 2]	**3,752**	**4,089**	**4,017**
thereof men	**2,878**	3,017	2,922
thereof women	**874**	1,072	1,095
Proportion in %[3]			
thereof men	**3.4**	3.5	3.3
thereof women	**4.7**	5.9	6.1

1 Active workforce (employees without holiday workers, thesis writers, interns, working students, PhD students, senior experts and trainees) of Mercedes-Benz Group, Mercedes-Benz Group AG, Mercedes-Benz AG, Mercedes-Benz Mobility AG and Mercedes-Benz Bank AG.
2 Return rate 99.9%.
3 Percentage of employees entitled to parental leave who have taken parental leave.
4 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data has been adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Attracting and retaining new talent

Attracting and retaining highly qualified employees for demanding jobs is at the heart of recruiting at the Mercedes-Benz Group. To this end, the Mercedes-Benz Group has revised its employer branding and, since the beginning of 2023, has been appearing on the labour market with the new campaign “Becoming … One of Us” and the new employer value proposition “Together for excellence”. This positioning places people even more strongly at the centre of all communication measures.

In 2023, the Mercedes-Benz Group placed a particular focus on recruiting more than 3,000 IT and software specialists worldwide for the future Mercedes-Benz Operating System (MB.OS). The Group therefore offers interested IT talents all the important content and information about MB.OS in a separate section on the careers website.

The new “Flexible Conditions Package” for software specialists (more flexible and autonomous organisation of working hours and more performance-related remuneration) agreed for the Research and Development area of Mercedes-Benz AG in Sindelfingen (Germany) in 2021 together with the Works Council – and with the agreement of the collective bargaining parties – has also applied to external hires in the Research and Development area of MB.OS at the Untertürkheim location (Germany) since January 2023. Employees already working in the MB.OS environment at the Untertürkheim location have been able to voluntarily switch to the new “Flexible Conditions Package” since April 2023.

An important external indicator by which the Mercedes-Benz Group measures its attractiveness as an employer for digital talent is the “Trendence” study: the interim goal of the Mercedes-Benz Group is to be among the top 7 most popular employers by 2025, and to maintain this ranking. In 2023, the Mercedes-Benz Group was ranked ninth among IT students[4]. With the launch of a new employer campaign and further branding and recruiting activities, the Group is aiming for an improvement. In the likewise representative study by the market research institute “universum”, IT students rated Mercedes-Benz Group AG higher. In 2023, it was able to maintain its seventh place of the previous year.

Dialogue with employee representatives

GRI 2-30 GRI 402-1 GRI 407-1

The Mercedes-Benz Group recognises the right of its employees to form employee representative bodies and to bargain collectively to regulate working conditions, as well as their right to strike, subject to applicable law. Important partners are the Works Council committees at the locations, the General Works Council, the Group Works Council, the European Works Council and the World Employee Committee. Collective bargaining agreements are in place for the majority of employees throughout the Group. At Mercedes-Benz Group AG, Mercedes-Benz AG and other Group units, these apply to all employees covered by collective agreements. In jointly constituted committees, the company regularly informs the employee representatives about the economic situation and all of the key changes at the company. In Germany, extensive regulations covering this are anchored in the Works Constitution Act. In the

4 Target ranking in the “Trendence” study (survey period from April 2022 to March 2023) among IT students (Germany); the survey results of the “Trendence” employer ranking 2023 do not take into account the split of the former Daimler AG at the end of 2021 into the two independent company groups Mercedes-Benz Group and Daimler Truck Group.

event of decisive changes, employees are informed at an early stage.

Viable solutions can only be found through constructive cooperation between employees and management, as well as company and employee representatives. This is why the Mercedes-Benz Group's HR department actively approaches employee representatives to discuss and jointly establish solutions.

Company and employee representatives in Germany also maintain an ongoing and structured dialogue. In doing so, the parties endeavour to take into account the economic interests of the Group as well as the interests of the employees. This is why the Mercedes-Benz Group's HR department actively approaches employee representatives to discuss and jointly establish solutions. The results of the dialogues and thus the rights of the employees are laid down in various (collective) works agreements, among other things. In the reporting year, the employee and company representatives again reached various agreements and arrangements. These include the Policy on Remote Work Abroad for Personal Reasons and the general works agreement on the German job ticket. A Group works agreement on employee participation in digitisation was also concluded. In particular, this includes a business email address for all employees in the production environment of the Mercedes-Benz Group in Germany.

The local youth and trainee representation looks after the interests of trainees and young employees at various German locations. A "General Youth and Trainee Representation Body (GJAV)" has also been organised across all locations. It represents the interests of the younger generation in the Group, contributes ideas and provides impetus.

Further tables of key figures

Workforce[1]

GRI 2-7

	2023	2022[2]	2021[2]
Europe	**137,109**	139,973	144,139
NAFTA	**14,468**	13,886	13,194
Latin America	**2,052**	2,195	2,286
Africa	**3,160**	3,159	4,019
Asia	**8,766**	9,072	8,313
Australia/Oceania	**496**	512	474
Total	**166,051**	**168,797**	**172,425**

1 Active workforce as at 31 December 2023 (employees without holiday workers, thesis writers, interns, working students, PhD students, senior experts and trainees) of Mercedes-Benz Group.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Workforce by division[1]

	2023	2022[2]	2021[2]
Workforce Mercedes-Benz Cars	**132,558**	135,388	138,906
Workforce Mercedes-Benz Mobility	**9,768**	9,850	9,531
Workforce Mercedes-Benz Vans	**19,132**	19,137	19,322
Workforce central functions and services	**4,593**	4,422	4,666

1 Active workforce as at 31 December 2023 (employees without holiday workers, thesis writers, interns, working students, PhD students, senior experts and trainees) of Mercedes-Benz Group.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Workforce by employee groups[1]

GRI 2-7/-8

	2023	2022[2]	2021[2]
Direct functions (production employees)	**65,181**	67,331	67,430
Indirect functions (administrative & production-related employees)	**100,870**	101,466	104,995
Trainees	**4,311**	4,467	4,817
Interns/thesis writers/ PhD students/working students/ senior experts	**4,885**	4,728	4,223
Holiday workers	**5**	18	19

1 Employee groups of Mercedes-Benz Group as at 31 December 2023.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Average number of employees by employment contract type[1]

GRI 2-7

	2023	2022[2]	2021[2, 3]
Full-time	**95,875**	96,365	117,703
thereof men	**83,250**	84,260	103,597
thereof women	**12,625**	12,106	14,107
Part-time	**9,297**	9,597	11,675
thereof men	**3,281**	3,544	4,506
thereof women	**6,016**	6,054	7,169
Total	**105,172**	**105,963**	**129,378**

1 Active workforce (employees without holiday workers, thesis writers, interns, working students, PhD students, senior experts and trainees) of Mercedes-Benz Group, Mercedes-Benz Group AG, Mercedes-Benz AG, Mercedes-Benz Mobility AG and Mercedes-Benz Bank AG.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.
3 As these are average figures, Daimler Trucks & Buses is included in Q1-Q3 2021.

External permanent hires[1]

GRI 401-1

	2023	2022[2]	2021[2, 3]
Europe	**4,373**	5,085	4,496
thereof Germany	**3,158**	3,245	2,165
NAFTA	**1,990**	3,794	7,827
thereof USA	**1,847**	3,647	4,639
Asia	**974**	1,106	1,329
thereof China	**623**	732	461
Rest of world	**188**	328	626
Total	**7,525**	**10,313**	**14,278**

1 External entries to the regular workforce (permanent employees) of Mercedes-Benz Group.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.
3 Up to and including November incl. Daimler Trucks & Buses.

Female external permanent hires[1]

GRI 401-1

	2023	2022[2]	2021[2, 3]
Europe	**1,374**	1,549	1,159
thereof Germany	**962**	916	325
NAFTA	**806**	1,467	1,741
thereof USA	**750**	1,408	1,288
Asia	**353**	417	317
thereof China	**200**	259	159
Rest of world	**76**	113	145
Total	**2,609**	**3,546**	**3,362**

1 External entries to the regular workforce (female permanent employees) of Mercedes-Benz Group.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.
3 Up to and including November incl. Daimler Trucks & Buses.

Other personnel key figures

	2023	2022	2021[3]
Employees with limited contracts[1]	**6,117**	6,705	6,630
Part-time quota[2] as at 31 December 2023 (in %)	**8.8**	9.1	9.1
Personnel costs in €billion	**16.63**	16.50	22.89

1 Mercedes Benz Group.
2 Mercedes-Benz Group AG, Mercedes-Benz AG, Mercedes-Benz Mobility AG and Mercedes-Benz Bank AG.
3 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Pension provisions of Mercedes-Benz Group (in bill. euros)

GRI 201-3 GRI 401-2

	2023	2022	2021[2]
Liabilities/provisions for the company pension scheme and preventive health care	**1.1**	1.0	5.4
Cash value of pension obligations as at 31 December 2023[1]	**22.0**	20.4	28.5
Costs for company pension plan	**0.4**	0.6	1.0
Expenditures for legally prescribed pension insurance	**1.0**	1.0	1.3
Payments to pensioners	**0.9**	0.9	1.1

1 The amount of this cash value is heavily dependent on the annual balance sheet valuation parameters, especially the discount rate.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Training and further qualification

Strategy and concepts

Development of training and further qualification

GRI 3-3

In times of digitisation and the mobility transition, job profiles, activities and requirement profiles are changing together with the associated training needs. The Mercedes-Benz Group pursues sustainable personnel development and personnel planning so as to continue employing highly qualified personnel with the corresponding skills in the future. The company therefore places “lifelong learning” and the further training of employees at the centre of its sustainable development of human relations (HR). As part of the “Turn2Learn” training campaign launched in 2022, the Group aims to invest more than €2 billion in worldwide employee training by 2030, of which 1.3 billion will be in Germany alone. The Mercedes-Benz Group therefore invests continually in the training and further education of its employees, and continuously adapts its training and personnel development programmes. In 2023, the training focus remained on topics relating to the transformation of the Group.

The range of vocational training and dual study programmes offered by the Mercedes-Benz Group in Germany, as well as the training and personnel development programmes, are evolving accordingly.

Organisation and agreements

GRI 2-23/-24 GRI 3-3 GRI 404-3

Various company and collectively agreed regulations form the basis for the Germany-wide training and qualification processes at Mercedes-Benz Group AG. In-company personal qualification at Mercedes-Benz Group AG, Mercedes-Benz AG and their subsidiaries in Germany is governed by the “Voluntary general works agreement on qualification for employees” and the “General works agreement on the use of external eLearning platforms for qualification measures” and comparable company and collectively agreed provisions.

↗ Training and further qualification – Qualification and learning programmes for employees

With the general works agreement on integration of external learning platforms, the Group underlines the importance of a high degree of self-determination for lifelong learning. The agreement stipulates, among other things, that employees can use the available learning platforms both during and outside working hours. The general works agreement on training, on the other hand, defines the framework for cooperation with employee representatives in determining training priorities, and defines the process for needs-based planning of training measures.

Both agreements are to equally reinforce the joint responsibility of managers and employees for training. In addition, they serve to standardise the training process more strongly and to make it more efficient, as well as to integrate external training courses into the learning portfolio.

With regard to the core workforce, the general works agreements create the conditions to ensure that personal development opportunities are secured or further developed, and that all employees can gain further professional and/or management qualifications. In addition, they formulate the expectation that the employees of the participating companies will take an active role in the training process and develop career and learning perspectives independently. Furthermore, an annual training meeting with the immediate superior is provided for, in which both sides agree on the next training steps. Overarching training priorities are agreed annually at location level between the company management and employee representatives. They are based on the production programme of the respective location, among other things.

↗ Training and further qualification – Building digital skills

Measures and results

Trainees and students

GRI 404-2

The Mercedes-Benz Group in Germany wants to provide high-quality vocational training and high-quality dual study programmes. At the same time, it wants to ensure a modern and needs-based occupational portfolio in both areas. In the reporting year, around 1,200 trainees and dual students started their vocational training and studies at the Mercedes-Benz Group in Germany.

Young professionals[1]

	2023	2022[2]	2021[2]
Trainees	**1,036**	1,032	1,164
Dual university students	**137**	147	135
Young professionals total	**1,173**	**1,179**	**1,299**

1 Trainees and dual university students at Mercedes-Benz Group AG, Mercedes-Benz AG, Mercedes-Benz Mobility AG, Mercedes-Benz Bank AG and other subsidiaries in Germany.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Vocational training takes place on a dual basis, i.e. both in the company and at vocational colleges. This gives trainees a realistic picture of the work in the company, and in many cases allows them to already qualify and recommend themselves for subsequent employment with the company.

The Mercedes-Benz Group also offers dual university studies in internationally recognised bachelor's degree courses at various company locations in Germany. The courses are supplemented by practical assignments in Germany and abroad.

The Mercedes-Benz Group has standardised the in-company training content in Germany across all locations and divisions in its "Mercedes Training System". Current relevance, user-friendliness and possible duplications are reviewed regularly. In hybrid formats, face-to-face instruction is supplemented by online learning sessions. The aim is to offer high-quality, efficient and attractive training programmes for trainees and dual students.

The Mercedes-Benz Group provides needs – and future-oriented training and continuously reviews its portfolio of vocational traineeships and courses of study in Germany. In doing so, the company not only reacts to current developments – it also anticipates future requirements and technological innovations. Since 2021, for example, Mercedes-Benz AG has been continuously increasing the number of IT trainees and has also integrated the additional qualification "Artificial Intelligence" of the Chamber of Commerce and Industry (IHK) in autumn of 2022. Since the reporting year, internally designed learning modules such as "Data-based decision-making", "Programming" and "Cyber security" have also been taught for technical vocational training. The new dual study programme "Sustainable Management" starts in 2024.

Qualification and learning programmes for employees

GRI 404-2

In 2022 the Group launched the worldwide "Turn-2Learn" initiative for employee qualification. This combines a wide range of learning opportunities via external learning platforms with dedicated training courses and strategic learning paths. This allows employees to combine different options to suit their needs – digitally and in person. These range from short courses to training plans and academic degrees. In this way, the Mercedes-Benz Group aims to make self-determined and flexible learning even more commonplace in everyday working life.

This is made possible by the use of digital, hybrid and analogue qualification formats and over 100,000 licences for external learning platforms for employees worldwide. The educational programme is also continuously updated and expanded.

In 2023, there were over 167,000 participations worldwide in training courses that directly or partially focus on the topics of digitalisation and electrification, such as "Cyber security", "Electromobility", "Data-based products and processes" or "Artificial intelligence".

↗ Training and further qualification – Building digital skills

Our own specialised TechAcademies, likewise organised under the umbrella of “Turn2Learn”, also provide targeted and needs-oriented training for employees in research and development as well as production-related areas. For example, the TechAcademy Production and Supply Chain Management at Mercedes-Benz AG analyses current and future personnel requirements for the production areas and cross-divisional functions e.g. in the area of quality assurance. It concerns itself with the following questions, among others: what know-how and expertise does Mercedes-Benz AG need in order to successfully implement the transformation? Are the necessary personnel with the appropriate skills available? How can employees be trained for the future?

On this basis, the TechAcademy develops target group-oriented and future-oriented training programmes as well as retraining measures. This strategic approach makes it possible to recognise any personnel bottlenecks and lack of know-how at an early stage and take appropriate countermeasures. There is a particular focus on the topics of “digitisation”, “software development” and “electrics/electronics (E/E) expertise”.

There is also a TechAcademy for the development departments of Mercedes-Benz AG in Germany: it offers employees in Development dedicated, needs-based and future-oriented learning content tailored to their job profile. The focus remains on the current strategic topics of “Lead in Car Software” and “Lead in Electric Drive”.

In the sales organisation of Mercedes-Benz Group AG, the “Mercedes-Benz Global Training” division is the central pillar for the training and development of employees in the German and international sales organisation. The focus is on the training and certification of sales and service personnel as well as on dealer management. In addition, comprehensive further training and various product qualification courses are offered. The division also focuses on qualification content on E/E and high-voltage, especially for employees in the repair and service sector.

In 2023, the Group’s employees worldwide invested a total of around 2.3 million hours in professional and personal qualification.

In order to evaluate the effectiveness and success of a training measure, the Mercedes-Benz Group analyses the extent to which employees have been able to transfer the skills they have learned to a specific field of activity. One way to check this is through the annual training discussions between the manager and the employee. The discussions between the human resources department and the specialist departments on strategic training needs are also used by the company for these analyses. In addition, participants can provide feedback at the end of various training measures by completing a standardised survey. This enables evaluating the effectiveness of the measures, and, if necessary, their adaptation in terms of content or methodological-didactic aspects.

Qualification, further education, dual university studies and training

GRI 404-1

	2023	2022	2021[5]
Costs for training (incl. dual university studies) in € millions[1]	**95**	97	93
Costs for further education in € millions[2, 3]	**81**	69	62
Qualification days per employee/year[4]	**2.0**	2.0	1.6
of which qualification days for women/year[4]	**1.9**	1.7	1.2
Qualification hours per employee/year[4]	**16.0**	16.0	11.2

1 Mercedes-Benz Group AG and Mercedes-Benz AG.
2 2021 Mercedes-Benz Group AG and Mercedes-Benz AG, from 2022 including Mercedes-Benz Intetellectual Property GmbH & Co. KG and Mercedes-Benz Mobility AG.
3 Decline due to the COVID-19 pandemic (in conjunction with lockdowns and short-time work in our locations as well as decimated on-site qualifications).
4 Note: As there is increasing use of learning formats integrated into the work process, the qualification days and hours do not necessarily reflect the actual qualification time.
5 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Building digital skills

GRI 404-1

When training its employees, Mercedes-Benz Group AG focuses on qualifications that are crucial for the successful implementation of the sustainable business strategy and digitisation of the company. These above all include experts who develop and design data-based products and processes. As part of the “Data Worker Project”, a total of 277 administration and production employees from 22 countries have qualified as specialists in data and artificial intelligence (AI). The participants in the four learning paths designed by

Mercedes-Benz Learning for the qualifications of Data Product Owner, Data Analyst, Data Engineer or Data Scientist completed the qualification measures with correspondingly recognised certificates.

In addition to the above key figures on training days, the Mercedes-Benz Group seeks to obtain findings about training topics based on the results of the employee survey. In this year's survey, the majority of employees once again responded positively to the question of whether their working environment supported them in acquiring or developing the skills required for the digital transformation. In this respect, the Mercedes-Benz Group was able to record an improvement compared to the previous survey. By 2030, the Group aims to increase the approval rating by introducing further training programmes. Another result from the survey shows that the "Turn2Learn" initiative with its training programmes has a positive influence. There was a significant improvement for the question of whether employees had the opportunity for further development during the reporting year.

In order to actively promote the digital transformation in production, the part-time training programme "D.SHIFT" was launched. "D.SHIFT" focuses on acquiring digital skills specifically for production employees at German locations and contributes to the digital transformation of the workforce with this targeted retraining. With suitably dedicated digital learning content, production employees can qualify for employment opportunities in areas such as data analysis, AI or software programming for electromobility. This enables them to expand their skills, contribute their knowledge from the production environment and orientate themselves towards future-oriented activity profiles.

Employees from production who are interested in data and artificial intelligence are selected and retrained as part of a "digital challenge". During the part-time programme, employees receive intensive support and guidance, apply the skills they have learned in specific practical projects and complete work secondments. In agreement with their manager, they are released from work for up to two days a week. At the end of the programme, they switch to the previously defined area of activity. After eleven employees had successfully completed their training as part of a pilot project in Berlin (Germany), Mercedes-Benz AG extended the initiative to the powertrain location in Stuttgart-Untertürkheim (Germany) in 2022. 22 production employees have now completed their retraining and taken up their new roles as data specialists at the Sindelfingen (Germany) location.

The programme was very well received: several hundred employees applied for the 22 places in Stuttgart-Untertürkheim. In view of this response, "D.SHIFT" was continued in November 2023 and the number of available places was increased.

Part-time study

Mercedes-Benz Group AG, Mercedes-Benz AG and Mercedes-Benz Mobility AG, as well as some subsidiaries, offer their employees with a permanent employment contract and at least one year of service the opportunity to study alongside their work – regardless of their age and professional development. The "Mercedes-Benz Academic Programmes" support students financially and with an accompanying programme.

Management development

GRI 404-1/-2

The transformation of the Mercedes-Benz Group is a major challenge. Managers play a key role in this. In order to prepare them for the new requirements, the Group is pursuing a sustainable human resource development programme. Accordingly, it offers employees appropriate further development programmes – for example, for personal preparation for a management career.

↗ HR work in the transformation – Leadership culture

Empowering employees for management tasks
A key tool for management development and selection at the Mercedes-Benz Group is the “potential validation procedure for future managers”. Specially trained managers from various specialist areas and the HR department observe and assess the leadership skills of the participants in the assessment centre on the basis of the “People Principles”.

↗ HR work in the transformation – Leadership culture

The qualification programmes for managers in the company impart a wide range of skills on the topics of “Leadership”, “Agile Working” and “Digital Transformation “. They are available to all managers worldwide from team leader level upwards, and in some cases also from level 5 (👁 management levels). New managers receive especially extensive support during the first 365 days after their appointment. Programmes for talented, high-potential individuals are aimed at employees before their first management position.

In addition, the “Group leader development program” is aimed at employees in the production areas who want to take on a management role at foreman level. The focus here is particularly on skills that are needed in the course of the increasing networking of plants and the digitisation of production.

International talent training programmes
Since 2018, the Mercedes-Benz Group has bundled a number of international talent programmes within the Group under the label “Inspire”. This includes “Inspire – the Leaders’ Lab”, for example. New employees are specifically recruited for the leadership programme and can take on a management role within the Group after successfully completing the programme. Within the 18-month leadership programme, participants take on important projects and complete an international assignment. To be optimally prepared for a management role, the participants are supported by mentors.

Diversity and inclusion

Strategy and concepts

Diversity as a success factor

GRI 2-23/-24 GRI 3-3

The Mercedes-Benz Group is committed to tolerance, openness and fairness. It promotes diversity and inclusion. It seeks to employ appropriate measures and activities to promote a working environment where all employees, regardless of age, ethnic background and nationality, gender and gender identity, physical and mental abilities, religion and world view, sexual orientation and social background, can freely develop their talents.

This is set out in the Integrity Code and in the "Principles of Social Responsibility and Human Rights" of the Mercedes-Benz Group.

↗ Social compliance – Principles

The Mercedes-Benz Group makes its diversity approach measurable using quantitative key figures and derives the need for action from this. The Group is guided by the UN Sustainable Development Goals (SDGs) "Gender Equality" (SDG 5) and "Reduced Inequalities" (SDG 10).

↗ Sustainable business strategy – United Nations Sustainable Development Goals

Strategic areas of action

GRI 2-23/-24 GRI 3-3

Diversity and inclusion are a part of the Mercedes-Benz Group's sustainable business strategy. "Sustainability", "integrity" and "diversity" are anchored in the foundation of this strategy and are intended to guide the Group's employees in their daily actions.

↗ Objectives and Strategy, Annual Report 2023

For the Mercedes-Benz Group, diversity means valuing different perspectives and promoting a diverse workforce. When it comes to inclusion, the main focus is on ensuring equal opportunity processes and policies and eliminating unconscious bias. It is also important to promote an appreciative work culture that respects individual needs.

The strategic areas of action for diversity and inclusion are "advancement of women", "internationality" and "equal opportunity".

Advancement of women

GRI 405-1

The Mercedes-Benz Group would like to fill more senior management positions (management level three and higher) with women. The objective: increase the proportion to 30% by 2030.

For Mercedes-Benz Group AG, Mercedes-Benz AG and Mercedes-Benz Intellectual Property Management GmbH & Co. KG, there is also a general works agreement on the advancement of women in order to consistently increase the proportion of women in the overall workforce, in vocational training and at management levels four and five.

The percentages of women on the Board of Management and the Supervisory Board are presented in detail in the Annual Report of the Mercedes-Benz Group.

↗ Declaration on Corporate Governance, Annual Report 2023

Internationality

The Mercedes-Benz Group wants to promote internationality, a global mindset and the cultural diversity of its workforce in order to remain successful as a global company in the future. Cultural diversity helps the Mercedes-Benz Group to better understand the different customer wishes in the regions and to tailor Mercedes-Benz products accordingly. It is focusing on bringing together different perspectives at all hierarchical levels and increasingly recruiting international talent.

↗ Training and further qualification – International talent training programmes

Inclusion
The Mercedes-Benz Group welcomes and values the uniqueness of each team member and promotes equal opportunities and an inclusive working environment, because only a welcoming, fair and supportive environment can enable the full potential of a diverse workforce to be realised. On this basis, the Mercedes-Benz Group supports its employees with, among other things, programmes that help them to achieve a good work-life balance.

↗ HR work in the transformation – Balancing professional and private life

Management of diversity and inclusion at the Group

GRI 2-23/-24 GRI 3-3

The Mercedes-Benz Group expects its employees to treat one another in a respectful, open and fair manner. Managers serve as role models and thus have a special responsibility for ensuring a corporate culture characterised by respect.

The framework conditions and processes are organised by the Group-wide Integrity and Diversity & Inclusion Management functions. The latter is part of Human Relations (HR), and defined the three strategic areas of action in consultation with the Board of Management of Mercedes-Benz Group AG. Additionally, it initiates overarching projects, training, and awareness-raising measures. There are also cross-national and cross-divisional working groups and a “Global Diversity Community” on the Social Intranet. The Mercedes-Benz Group also offers its employees the opportunity to get involved and exchange ideas in networks that contribute to the various diversity dimensions.

Our diversity and inclusion management approach is grounded in the principle of equal opportunity for all employees. The aim is always to recruit and develop highly qualified specialists and managers for the Group.

Principles and policies
In the mission statement “Uniqueness makes us strong”, the Mercedes-Benz Group has summarised its understanding of diversity and inclusion. It has been signed by all members of the Board of Management.

For Mercedes-Benz Group AG, Mercedes-Benz AG and Mercedes-Benz Intellectual Property Management GmbH & Co. KG, the principles of diversity and inclusion are laid down in the general works agreements “Advancement of Women” and “Equal Opportunity”. The topics are also described in the Integrity Code and in the Group works agreement “Fair treatment in the workplace”.

Mercedes-Benz AG is a member of various initiatives and associations in the field of diversity and inclusion and has subscribed to the corresponding standards and principles:

- European Women’s Management Development (1999)
- UN Global Compact (2000)
- Charta der Vielfalt e. V. (Diversity Charter) (2006)
- Global Summit of Women (2006)
- Women’s Empowerment Principles (2012)
- UN Standards of Conduct for Business on Tackling Discrimination against LGBTI People (2018)
- HIV Declaration of the German Aids Service Organisation (2019)
- The Valuable 500 (2020)
- Joint Declaration against Sexism and Sexual Harassment (2021)

Dealing with violations of policy

GRI 406-1

If any employee of the Mercedes-Benz Group is discriminated against, bullied or sexually harassed, or if they have observed such incidents, they can turn to various contact points: to managers, the human resources department, the social counselling service, the company medical service, the works council or the senior managers' committee.

Other points of contact include the Group's own whistleblower system Business & People Protection Office (BPO) as well as the "Integrity Info Point".

↗ Compliance management – The BPO Whistleblower System

In addition to these internal points of contact, an external online information and advice platform has been available to employees of the Mercedes-Benz Group in Germany since 2022. It provides information on the topics of sexual harassment, discrimination and bullying and includes the possibility of anonymous counselling. This is intended to contribute to prevention as well as to educate and support the employees of the Mercedes-Benz Group.

Measures and results

Promoting diversity and inclusion

The Mercedes-Benz Group raises the awareness of its employees worldwide regarding the issues of diversity and inclusion by means of various measures. These include training opportunities, information events and mentoring programmes specifically for women.

↗ Training and further qualification – Qualification and learning programmes for employees

The Mercedes-Benz Group uses the "Inclusion Index" to measure equal opportunities and fairness within the Group; it collects this data every two years as part of the employee survey. The Group asks its employees to what extent they agree with the following statement: "Everyone in my company is treated fairly, regardless of ethnicity, gender, age, disability or other differences that have nothing to do with professional performance."

The index reflects the percentage of positive answers. An employee survey was conducted in the reporting year. The survey carried out continued to show a positive interim result for the "Inclusion Index" for the Mercedes-Benz Group. The interim target of an index value of 70% by 2025 was achieved ahead of schedule. The target for 2030 is an index value of 75%.

Measures for the advancement of women

GRI 405-1

At the Mercedes-Benz Group, the advancement of women begins with the promotion of young talents and recruitment: the Group participates in career information days and the "Genius" education initiative and has a presence at university fairs. One of the aims is to get girls and women interested in technical professions and to promote young talent in STEM professions. In addition, the "Female Career Lounge" information and dialogue format was held again in the reporting year, with the aim of inspiring experienced female engineers to work in the production environment.

In order to attract women to undergo vocational training at the Mercedes-Benz Group, the Group has joined forces with the works council to develop and define a series of measures. For example, it invited schoolgirls to become acquainted with the technical vocational training programmes of the Mercedes-Benz Group in several formats in 2023.

In recent years, the Mercedes-Benz Group in Germany has also been able to continuously recruit female vocational trainers for technical professions. In this way, it creates role models that are important for career choices and career development. In addition to unit-specific mentoring initiatives, the Mercedes-Benz Group also offers an overarching mentoring programme to prepare women specifically for management positions or the next management level.

As early as 2006, the Mercedes-Benz Group set itself the goal of continuously increasing the proportion of women in senior management positions (level three and above) worldwide to 20% by the end of 2020. This target was achieved and a new target of 30% by 2030 was set by the Board of Management of Mercedes-Benz Group AG. The proportion of women in senior management positions at the Mercedes-Benz Group worldwide as at 31 December 2023 was 25.7%[5].

↗ Diversity and inclusion – Advancement of women

To measure the increase in the proportion of women in top management, the Mercedes-Benz Group uses the corresponding data from its personnel reporting systems. The results are regularly reported to the Board of Management of Mercedes-Benz Group AG in standardised form.

Female workforce[1] (in %)

GRI 405-1 GRI 2-9

	2023	2022[3]	2021[3]
Proportion of women	**22.2**	21.7	21.1
Proportion of women in senior management positions, Level 1 to 3[2]	**25.7**	24.7	22.5
Proportion of women in the Board of Management	**37.5**	37.5	37.5
Proportion of women in the Supervisory Board	**30.0**	35.0	30.0

1 Active female workforce of Mercedes-Benz Group (employees without holiday workers, thesis writers, interns, working students, PhD students, senior experts and trainees).
2 Headcounts, fully consolidated companies.
3 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

22.2% of the Mercedes-Benz Group workforce is made up of women. The Group wants to increase the proportion of female employees to achieve greater diversity.

Female workforce[1]

GRI 405-1

	2023	2022[2]	2021[2]
Europe	**28,059**	28,093	28,379
NAFTA	**4,125**	3,992	3,353
Latin America	**237**	256	278
Africa	**1,145**	1,090	1,382
Asia	**3,004**	2,920	2,719
Australia	**213**	224	206
Total	**36,783**	**36,575**	**36,317**

1 Active workforce as at 31 December 2023 (female employees without holiday workers, thesis writers, interns, working students, PhD students, senior experts and trainees) of Mercedes-Benz Group.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Female workforce by groups[1]

GRI 405-1

	2023	2022[2]	2021[2]
Direct functions (production employees)	**8,045**	8,091	7,528
Indirect functions (administrative & production-related employees)	**28,738**	28,484	28,789
Trainees	**825**	919	1,042
Interns/thesis writers/ PhD students/working students/ senior experts	**1,783**	1,671	1,511
Holiday workers	**3**	5	16

1 Female employee groups of Mercedes-Benz Group as at 31 December 2023.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

5 Headcounts, fully consolidated companies.

The Mercedes-Benz Group is also entering into an intensive dialogue with women worldwide beyond the boundaries of the Group with the international “She’s Mercedes” initiative; in doing so, it wants to respond more specifically to their mobility needs. The initiative pursues the basic idea of networking, exchange and dialogue in participating markets. “She’s Mercedes” offers women opportunities to expand their own network, inspire each other and get to know the Mercedes-Benz brand.

Promoting cultural diversity and internationality

GRI 3-3

166,051[6] people from 142 nations work in the Mercedes-Benz Group. The cultural diversity of the workforce helps the Group to better understand the different regional customer requirements and to tailor its products accordingly. The Mercedes-Benz Group promotes the intercultural skills of its employees with training programmes and relies on targeted recruiting of international talent – for example within the framework of the various talent programmes.

↗ Training and further qualification – International talent training programmes

The Mercedes-Benz Group also supports international assignments for its employees: in the reporting year, some 1,200 employees were working internationally. Among other things, the “Global Mobility Guideline” developed for this purpose is used to adequately support the assignees.

For example, the Mercedes-Benz Group’s sales and marketing organisation has been facilitating short- and medium-term international assignments of employees.

Integrating employees with disabilities

Employees with disabilities are an important and fully integrated part of the diverse workforce at the Mercedes-Benz Group. The Group promotes the integration of employees with disabilities in production and administration, for example through specially designed workstations. In Germany, the representatives for severely disabled employees and the Group’s inclusion officers are committed to the interests of severely disabled employees on the basis of an existing inclusion agreement.

Other diversity key figures

	2023	2022[2]	2021[2]
Percentage of severely disabled persons			
Mercedes-Benz Group AG	**3.43**	3.77	4.06
Mercedes-Benz AG	**6.27**	6.31	6.42
Mercedes-Benz Mobility AG	**0.82**	0.74	0.99
Mercedes-Benz Bank AG	**3.87**	3.34	2.93
Average age of workforce[1]	**42.5**	42.4	42.5
Number of nations[1]	**142**	143	147

1 Total workforce (regular and temporary employees incl. holiday workers, thesis writers, interns, working students, PhD students, senior experts and trainees) of Mercedes-Benz Group.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Utilising the strengths of young and old

GRI 404-2

The average age of employees of the Mercedes-Benz Group worldwide in 2023 was 42.5 years. Raising the retirement age leads to a longer working life. The average age of employees is therefore expected to rise in the coming years. The Mercedes-Benz Group sees this development as an opportunity. It creates suitable framework conditions that promote the performance and health of younger and older employees. The Mercedes-Benz Group also seeks to reinforce cooperation between the generations. Other focal points are “lifelong learning” and “age-independent professional development” for employees.

↗ Training and further qualification – Qualification and learning programmes for employees

6 Active workforce as at 31 December 2023 (employees without holiday workers, thesis writers, interns, working students, PhD students, senior experts and trainees) of Mercedes-Benz Group.

In addition, the Mercedes-Benz Group temporarily draws on the expertise of experienced employees who have already retired at Mercedes-Benz AG and other companies such as Mercedes-Benz Bank AG in Germany: as part of the “Senior Experts” programme, experts who have retired can contribute their knowledge in project assignments.

Since 1998, the Mercedes-Benz Group has offered employees partial retirement for older workers who wish to retire earlier. Employees of Mercedes-Benz Mobility AG and Mercedes-Benz Bank AG, including their subsidiaries in Germany, who are covered by collective wage agreements also have the opportunity to take advantage of the age-reduced working scheme from the age of 50. They can gradually reduce their working time to 35 hours per week. Employees can thus shape a smooth transition from working life to retirement through various offers.

Proportion of age groups (in %)[1]

GRI 405-1

	2023	2022[2]	2021[2]
under 25 years	**7.5**	7.7	7.3
25 to under 35 years	**21.3**	21.7	21.8
35 to under 45 years	**26.1**	25.3	25.1
45 to under 50 years	**12.2**	12.3	12.5
50 to under 55 years	**12.8**	13.2	13.7
55 years or older	**20.1**	19.8	19.6

1 Active workforce (employees without holiday workers, thesis writers, interns, working students, PhD students, senior experts and trainees) of Mercedes-Benz Group.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Supporting the LGBTIQ+ community

“We celebrate every road you take” – this is the motto under which employees and managers of the Group took a stand in 2023. In close cooperation between the company and the employees of the LGBTIQ+ networks, the Mercedes-Benz Group promotes dialogue within the company with the “Mercedes-Benz Pride” initiative and advocates an accepting approach to sexual orientation and gender identity in everyday working life. The Pride activities are supported by employees who demonstrate their commitment alongside their normal working activities.

Awareness-raising and qualification measures for employees

On the Mercedes-Benz Group’s annual Diversity Day, the Group focuses in particular on diversity. Consciously experiencing diversity, adopting new perspectives and understanding how all employees can benefit from diversity and inclusion – these are key goals that the Mercedes-Benz Group wants to achieve.

For Diversity Day 2023, employees were able to participate in four diversity online training sessions in the “Global Diversity Community” on the Social Intranet, each with specific content for employees and managers. These so-called learning paths are intended to highlight the dimensions of diversity and strengthen the individual’s ability to act. They are permanently available to employees and can be individually integrated into everyday working life. In addition, various workshop templates and learning opportunities were compiled according to the occasion and virtual dialogue formats were organised. These included workshops to promote self-reflection and the organisation of discussion rounds. A Group-wide email from the Board of Management and various intranet posts also drew attention to the issue.

With an alternative didactic approach, the learning paths complement the e-learning format that has been in use worldwide since 2021, with which the Mercedes-Benz Group aims to strengthen respectful cooperation and raise awareness of possible stumbling blocks. The training shows how employees can contribute to this. It is available worldwide and is offered in eleven languages.

Diversity and inclusion beyond Group boundaries

GRI 3-3

The Mercedes-Benz Group is a co-initiator and founding member of the employer initiative “Charta der Vielfalt e. V.”. The association promotes the discussion on diversity & inclusion management in Germany through various projects. In the reporting year, the Mercedes-Benz Group was once again a partner of the “DIVERSITY” conference on diversity in the workplace. Since 2012, the event has been organised by Charta der Vielfalt e. V. (Diversity Charter) and the publishing house “Der Tagesspiegel”.

The Group also expects its business partners and suppliers to advocate for inclusion. The “Business Partner Standards” are therefore aimed at business partners worldwide. In addition, the Mercedes-Benz Group has summarised all the sustainability requirements it places on its suppliers in the “Responsible Sourcing Standards”.

↗ Social compliance – Requirements for suppliers

The Group also values the individuality of its customers and develops products and services that meet their individual needs. Among other things, Mercedes-Benz AG offers people with disabilities ex-factory driving aids as special equipment. These include e.g. hand-operated controls for accelerator and brake, control and steering aids as well as swivel seats or seat relocation.

Occupational health and safety

Strategy and concepts

Occupational health and safety management

GRI 3-3 GRI 403-1

The Group is committed to holistic occupational health and safety management. This aims to prevent accidents at work, work-related illnesses and occupational illnesses as far as possible and to prevent health risks. It is also intended to maintain the health and performance of the people in the long term and promote their well-being. The focus is primarily on preventive measures, which the Group continuously reviews and advances. For example, the Mercedes-Benz Group is pursuing a strategy of avoiding musculoskeletal disorders and adequately equipping new and existing workstations from an ergonomic point of view. There are also offers for employees so that they can also work safely and ergonomically when working from home.

A risk-based approach to occupational health and safety makes it possible to recognise the need for action at an early stage and aims to initiate suitable measures. The results of a regular employee survey provide an insight into the topics of “work-life balance” and “well-being” and form the basis for the needs-based further development of the health management product portfolio.

Requirements and policies

GRI 2-23/-24 GRI 3-3 GRI 403-1/-7/-8

The occupational health and safety strategy of the Mercedes-Benz Group includes standards for the design of workplaces and processes in order to systematically reduce occupational and health-related risks. There are international Group guidelines on occupational health and safety as well as standardised principles that must be adhered to. The internal guidelines are based on international standards and require compliance with national laws. They emphasise the responsibility of managers and the personal responsibility of employees.

The international Group policy on occupational health and safety describes binding tasks, duties, necessary committees and communication requirements for all controlled and consolidated companies and is based on the content of the ISO 45001 standard. The policy applies to all employees, as well as temporary staff.

Organisation and areas of responsibility

GRI 3-3 GRI 403-2/-3/-4

The Health & Safety unit manages occupational health and safety throughout the Group and is part of Human Resources. Health & Safety is divided into the six competence centres “Occupational Safety”, “Occupational Medicine”, “Health Management”, “Ergonomics”, “Social Counselling” and “catering”. Each centre controls the processes by means of Group-wide policies which are continuously updated.

A target achievement process exists for the implementation of the “Safety and Health at Work” (OH&S) management system and for the corresponding operationalisation of guidelines and specifications: the respective occupational health and safety goals of the locations are based on an overall strategy. This contains the guiding principles on occupational health and safety as well as the occupational health and safety strategy of the Mercedes-Benz Group and the results of the audits and reviews.

At each location, the Mercedes-Benz Group has established corresponding formats on occupational health and safety topics in which employees are informed about all aspects of OH&S Management and are involved accordingly. This applies equally to the employees of the Mercedes-Benz Group and to the Group’s temporary workers. Managers are responsible for ensuring that all internal policies and legal provisions on occupational health and safety are observed. The Health & Safety unit supports managers in the implementation of their obligations with regard to occupational health and safety. Each location defines the responsibilities and specific obligations in line with the local conditions.

The employees of the Mercedes-Benz Group bear personal responsibility for their health and safety at work by carrying out their work in a safety-conscious manner. Employees have the right to withdraw from work situations in which they can reasonably assume an immediate danger to their lives or health. In the interests of accident prevention, safety risks and near misses must be reported to the manager. Every reported accident and near-accident is analysed to clarify the circumstances. The respective units are obliged to initiate preventive measures. Accidents from which other locations can learn and derive measures are communicated internationally to the occupational safety experts at the locations.

Occupational health and safety issues are regularly discussed and decided in various committees. In addition, the corporate medical director and the head of corporate safety report to the member of the Board of Management responsible for Human Relations (HR) on a quarterly basis.

↗ Occupational health and safety – Accident documentation

Risk management

GRI 2-12 GRI 403-2/-7/-8

Risk management follows the Group policy on occupational health and safety and defines tools and risk assessment processes that are to be implemented locally.

The Mercedes-Benz Group's Health & Safety unit pursues a preventive approach in order to avoid accidents and health impairments among employees. In order to identify significant risks at an early stage, an evaluation (safety due diligence) is carried out every five years at all consolidated and controlled production sites with more than 500 employees. The evaluation of the production sites is carried out in cooperation with Group Environmental Protection and covers around 77% of all Group employees.

Risk assessments

GRI 403-2/-7

Risk assessment is an important tool for evaluating potential risks and defining measures. At the Mercedes-Benz Group, for example, this is done with the help of standardised and globally available software.

The Mercedes-Benz Group assesses the risks of new plants along the entire process on a globally standardised basis according to defined criteria. This is based on the Group's safety concepts, which are implemented by the suppliers in accordance with their specifications. Occupational safety specialists support the planning departments from the initial idea through to standardised system acceptance. Hazardous substances are evaluated as part of the risk assessment and undergo an approval process. The Mercedes-Benz Group also assesses the psychological and ergonomic stress of workplaces and the respective working environment.

If risks are identified, measures must be derived and implemented in accordance with the STOP principle and their effectiveness must be monitored.

In addition, the Mercedes-Benz Group has established an external company management process that is based on the Group policy on occupational health and safety and applicable law. An assessment of mutual hazards and the description of effective measures is then an elementary component. The implementation and effectiveness of the measures are reviewed by means of random checks.

Measures and results

Company health management and mental health

GRI 403-3/-5/-6

The Mercedes-Benz Group offers its employees in Germany occupational health consultations and preventive care as well as measures and offers for workplace health promotion and social counselling. Occupational health management in Germany aims to promote both the physical and mental health and well-being of employees. This objective is promoted with the help of counselling and qualification offerings, as well as with preventive, therapeutic and rehabilitation measures and various campaigns. In an international context, the Mercedes-Benz Group focuses on medical care, prevention strategies and the ergonomic design of workplaces.

Preventive solutions play a special role. For example, the Group uses an IT tool to assess the extent to which all production workstations are ergonomically designed. If there is a need for action due to above-average strain, the workplace is then adapted accordingly by means of suitable measures.

In HR, the “Mindful@HR” initiative ran until April 2023, through which resilience programmes were introduced and scientifically monitored. The focus was on raising the employees’ awareness of mindful behaviour in the workplace, integrating corresponding impulses into everyday working life and strengthening their change competence and resilience. The findings from the initiative enabled the Mercedes-Benz Group in Germany to further expand existing mindfulness programmes outside the HR department.

In the reporting year, around 52,000 employees took part in the workplace health promotion measures, in equal parts in digital and face-to-face programmes. Two examples of face-to-face events that are still part of the portfolio are the 6- and 12-day courses for managers and shift workers in Germany (see table: Participants in 6- and 12-day health training programmes (training on the topics of exercise, diet and relaxation)). In 2023, 1,041 employees took part in this programme. Independently of these programmes, employees have the option of using a health app. This enables users to create a personalised profile, set their own health goals and take part in digital events. The app is provided and operated by an external service provider. The number of downloads of this app rose to 23,000 in the reporting year.

Participants in 6- and 12-day health training courses[1] (on the subject of exercise, nutrition & relaxation)

GRI 403-5/-6

	2023[6]	2022[2]	2021[2]
Employees in shift work (6-day)	**264**	270	–[4]
Employees on doctor recommendation (6-day)	**146**	–[5]	–[5]
Managers (6-day)	**135**	258	–[4]
Senior managers (6-day)	**183**	172	–[4]
Employees in shift work (12-day)	**185**	–[3]	–[4]
Managers (12-day)	**128**	–[3]	–[4]

1 Mercedes-Benz Group AG, Mercedes-Benz AG, Mercedes-Benz Ludwigsfelde GmbH and Mercedes-Benz Mobility AG (with a number of German subsidiaries), Mercedes-Benz Bank AG.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.
3 Due to the pandemic, there was no planning security for this offer in 2022.
4 Due to the pandemic, the health programmes were suspended in 2021.
5 Due to the pandemic, there were no participants on doctor recommendation.
6 Including Mercedes-AMG GmbH.

Healthy diet

Diet has a significant influence on health. This is why Mercedes-Benz Gastronomie GmbH promotes a healthy, varied range of food in the canteens and shops – for example with a key figure that indicates the health value of the food. The health value, which is shown in the menu by means of traffic light labelling, results from the evaluation of all recipes according to the type and pre-processing of the ingredients, fat content and quality, sugar content and preparation method, among other things.

Acceptance of the purely plant-based menu line in the canteens increased further in the reporting year. In 2023, the plant-based menu line accounted for almost 25% of all three menu lines. This has led to a 10% improvement in the health value since its introduction in 2021. This trend towards a more balanced diet is also reflected in the results of a survey conducted by Mercedes-Benz Gastronomie GmbH in 2023: more than 88% of the employees surveyed stated that a conscious and balanced diet is important or very important to them.

↗ Resource conservation in production – Waste and CO_2 emissions in the catering sector

Medical and psychosocial support

GRI 403-3/-6

Occupational health care at the Mercedes-Benz Group includes services and measures aimed at preventing work-related illnesses or occupational diseases and promoting health in the workplace. In order to identify health risks at an early stage, it offers voluntary preventive medical check-ups for employees and managers worldwide that go beyond the legal requirements.

Suspended during the pandemic, the Mercedes-Benz Group has been offering its employees in Germany the voluntary health check again since 2023. After this individual appointment with a specialist from the company medical service, employees can also attend a prevention counselling session. This service enables employees to recognise their own health risks and respond to them with appropriate measures.

In addition, the Mercedes-Benz Group offers employees acute and emergency medical and psychosocial care – this also includes immediate care for accident victims as well as emergency care for business travellers, employees on foreign assignments and their relatives abroad. The company medical service, social counselling and basic workplace health promotion services are also available. The basic offers of occupational health promotion as well as acute and emergency medical care are also available to the Group's temporary employees.

In the health centres in Germany, employees can take part in preventive, secondary preventive – e.g. to prevent an illness from reoccurring after recovery – and therapeutic programmes. Many comparable offers can be found at the international locations of the Mercedes-Benz Group.

The in-house social counselling service supports managers and employees of the Mercedes-Benz Group in Germany who find themselves in a challenging situation of change or crisis, suffer from mental problems or are struggling with conflicts, either professionally or privately. This also includes counselling in cases of bullying, sexual harassment or discrimination in the workplace. Temporary employees in Germany as well the employees' relatives can also take advantage of the offer. The social counselling service also supports managers and employees in dealing with change situations. The Group counters psychosocial challenges in the working environment in Germany by applying the group agreement on mental health and a corresponding management process.

Services by the company medical service[1]

GRI 403-3

	2023[4]	2022[3]	2021[3]
Consultations carried out/offered (number)	**14,567**	14,914	15,507
Occupational health preventive screening	**30,592**	29,185	18,484
Vaccinations and medical travel advice	**9,868**	19,175	52,389
Emergency medical treatments	**2,198**	2,162	1,972
Diagnostic services (hearing/eye test, ECG etc.)	**35,856**	22,192	23,377
Laboratory analyses	**15,559**	10,685	17,986
Reintegration of chronically ill employees	**731**	557	628
Check-ups for senior managers[2]	**195**	228	14
HealthCheck[2]	**5,892**	338	75

1 Mercedes-Benz Group AG, Mercedes-Benz AG and Mercedes-Benz Ludwigsfelde GmbH.
2 Due to the pandemic, the health programmes were suspended in 2021 and partly cancelled in 2022.
3 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.
4 Incl. Mercedes-AMG GmbH.

Management of occupational safety

GRI 403-4/-5

The Mercedes-Benz Group raises the awareness of its employees of the topics of ergonomics and occupational safety, e.g. with mandatory annual safety briefings. The Group provides new employees with initial training on safety-related aspects of their workplace. Mandatory safety briefings are carried out regularly and as required by law. The Mercedes-Benz Group has also

developed special online training courses for certain work areas, for example, for the safety briefing of office employees.

The “We work SAFELY!” initiative launched in 2022 was continued by the Mercedes-Benz Group in the reporting year in order to create a lasting “safety-first culture” and permanently reduce the number of accidents at work. In 2023, the Group provided its employees with intensive training on six principles of safe working practices for dealing with significant hazards. The initial focus was on German locations. Furthermore, within the initiative, the Mercedes-Benz Group assesses risks in the cooperation with external companies. In order to further increase safety in this context, it has stepped up checks on construction sites and introduced consequence management in the event of identified misconduct.

Corporate Safety offers Group-wide training for certain employee groups. This includes employees who use the software for ergonomic assessment, as well as employees in the various planning areas for the legally compliant procurement and planning of work equipment in terms of occupational safety. In addition, Corporate Safety regularly trains the analysis teams comprised of occupational health physicians, safety experts and works council members on carrying out the “risk assessment of mental strain” method at the German locations, as well as the international auditors on carrying out the “site safety evaluation”.

Certification and review of the OH&S management system

GRI 403-1/-8

The Mercedes-Benz Group has its management systems for “Safety and Health at Work” (OH&S) at various locations voluntarily certified in accordance with the ISO 45001 standard. In 2023, the Jawor site (Poland) received voluntary certification of its management system in accordance with ISO 45001 for the first time. In total, 27% of all employees, or respectively 36% of all production site employees were covered by ISO 45001 certification.

Every five years, Corporate Safety officers use the safety due diligence process already mentioned in the report to review whether the binding safety standards of the Group policy on occupational health and safety are being adhered to at the company’s own production sites and whether a functioning OH&S management system is in place. The international Mercedes-Benz CKD sites in India, Vietnam, Thailand and Malaysia as well as the AMG production plants in the UK and Germany were evaluated as planned in 2023. The results were communicated to the relevant committees and monitored.

Accident documentation

GRI 3-3 GRI 403-1/-2

Effective reporting helps to ensure that the Mercedes-Benz Group achieves its occupational health and safety goals. From accident documentation, the Mercedes-Benz Group identifies, among other things, accident causes and accident focal points as well as activities or equipment that cause accidents; it can also derive new awareness-raising measures. That is why all locations[7] have to report accidents and accident statistics to the Health & Safety unit. Since 2023, a uniform accident documentation system has been available to the Group worldwide, from which standardised key figures can be derived in compliance with applicable data protection regulations.

Every reported accident is analysed in order to explain how it happened and to initiate preventive measures. Data on accidents from which other sites can learn and derive measures are shared with all occupational safety experts at all locations[7] worldwide. Based on these key figures, the Mercedes-Benz Group produces monthly reports showing the Group-wide accident figures.

7 Mercedes-Benz Group, consolidated and controlled production sites incl. selected high-risk development areas and the Global Logistics Center.

The accident frequency rate at the Mercedes-Benz Group's production sites was 3.8[8,9] in the reporting year.

Occupational accidents and accident frequency[1]

GRI 403-9

	2023	2022[4]	2021[4]
Occupational accidents[2]	**937**	1,171	1,277
Accident frequency[3]	**3.8[5]**	4.8	5.5

1 Recording rate Mercedes-Benz Group, consolidated and controlled production sites including selected high-risk development areas and the Global Logistics Center: 100% (Scope corresponds to that of previous years).
2 Number of occupational accidents registered in the system with at least one day of absence.
3 Number of occupational accidents registered in the system with at least one day of absence per 1 million hours of attendance.
4 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.
5 The key figures were audited in order to obtain "limited assurance".

Absences due to occupational accidents[1]

GRI 403-9

	2023	2022[2]	2021[2]
Absences in hours due to occupational accidents (worldwide)	**107,720**	122,168	130,624
Absences in days due to occupational accidents (worldwide)	**13,465**	15,271	16,328
Accident burden (worldwide, number of days lost per 1 million attendance hours)	**53**	63	70

1 Recording rate Mercedes-Benz Group, consolidated and controlled production sites including selected high-risk development areas and the Global Logistics Center: 100% (Scope corresponds to that of previous years).
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Fatalities due to occupational accidents[1]

GRI 403-9

	2023	2022	2021[2]
Employee fatalities due to occupational accidents	**1**	0	2
External employee fatalities due to occupational accidents	**0**	0	3

1 Recording rate Mercedes-Benz Group, consolidated and controlled production sites including selected high-risk development areas and the Global Logistics Center: 100% (Scope corresponds to that of previous years).
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

8 Mercedes-Benz Group, consolidated and controlled production sites including selected high-risk development areas and the Global Logistics Center (Scope corresponds to that of previous years): number of occupational accidents registered in the system with at least one day of absence per 1 million hours of attendance.
9 The key figures were audited in order to obtain "limited assurance".

Human rights

Materiality and goals

GRI 3-3

Targets	Target horizon	Status as of 2023
Define and implement protective measures for 100% of the Mercedes-Benz Group's production raw materials which pose an increased risk of human rights violations	2028	57%
Milestone: Assessment of 70% of all production raw materials used by the Mercedes-Benz Group with an increased risk of human rights violations and definition of necessary remedial measures	2025	57%
Milestone: Assessment of 50% of all production raw materials used by the Mercedes-Benz Group with an increased risk of human rights violations and definition of necessary remedial measures	2023	Target achieved
Review of 100% of product groups sourced from service supply chains posing an increased risk of human rights violations	2026	54%

The goal of the Mercedes-Benz Group is to combine commercial success with responsible action towards the environment, people and society – and to do so along the entire value chain. Respect for human rights is therefore a fundamental component of responsible corporate governance for the Group and a key area of action for sustainability. The goal is to manufacture products without any human rights violations.

Especially with the expansion of electromobility, there is even more focus on respect for human rights in automotive supply chains. This is because the production of battery cells requires raw materials such as lithium or cobalt. These raw materials often come from countries where there is a risk that they are mined under conditions that could be critical from a human rights perspective.

In addition to its own commitment to respecting human rights, the Mercedes-Benz Group recognises a growing interest in the topic of human rights amongst consumers, civil society organisations, investors and rating agencies.

In addition, the German Supply Chain Due Diligence Act (LkSG) came into force at the beginning of 2023. In February 2022, the European Commission also presented a proposal for a directive on the due diligence obligations of companies in the area of sustainability. At the end of the reporting year, the European Parliament, the European Union Council and the European Commission agreed on a joint draft proposal. This still needs to be formally accepted.

With the Human Rights Respect System (HRRS), the Mercedes-Benz Group has developed an approach for implementing human rights due diligence (Human Rights Due Diligence) in order to achieve the above strategic goal.

Social Compliance

Strategy and concepts

Obligation and mission

GRI 2-23/-24 GRI 3-3

Respecting human rights is of central importance to the Mercedes-Benz Group and is seen as both an obligation and a mission. Accordingly, the respect for human rights is an area of action in the sustainable business strategy. In addition, the Mercedes-Benz Group has introduced a corresponding risk-based system to exercise human rights due diligence. Its measurable targets and key figures are enshrined in the company's sustainable business strategy.

The Mercedes-Benz Group respects internationally recognised human rights and is committed to the following standards, among others:

- Universal Declaration of Human Rights
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights
- ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work
- UN Guiding Principles on Business and Human Rights
- Ten principles of the UN Global Compact (UNGC)
- OECD Guidelines for multinational companies[1]

This is contained in the Group's Integrity Code as well as in the Principles of Social Responsibility and Human Rights, which are binding for all managers and employees of the Mercedes-Benz Group AG as well as the consolidated Group companies worldwide.

↗ Social Compliance – Human Rights Respect System

In 2020, to recognise the strategic importance of the area of human rights, the Board of Management of Mercedes-Benz Group AG decided to make annual targets in the area of human rights relevant to remuneration. This means that the variable remuneration of managers and the Board of Management also depends, among other factors, on whether specific human rights targets have been achieved. This is based on whether ongoing assessments of production-related raw materials which pose a high risk of human rights violations are being and have been carried out.

↗ Remuneration Report 2023

1 Section IV on human rights in the OECD Guidelines for multinational companies.

Principles

GRI 2-23 GRI 403-1/-2/-3/-4/-5/-6/-7/-8/-9/-10 GRI 405-1 GRI 406-1 GRI 407-1 GRI 408-1 GRI 409-1

The Mercedes-Benz Group is committed to ensuring that human rights are respected in all Group companies and also by its partners along the value chain, particularly suppliers. The Principles of Social Responsibility and Human Rights is an expression of this commitment.

With this principles, the Mercedes-Benz Group undertakes to prevent negative impacts on human rights worldwide within its own business area and with respect to its partners and suppliers, and to minimise and bring to an end these negative impacts where possible. The policy statement describes the procedure for implementing human rights due diligence obligations and identifies the material human rights risks for the Mercedes-Benz Group. These risks were identified in accordance with the United Nations (UN) Guiding Principles on Business and Human Rights, taking into account the nature and scope of the Group's own business activities, the above international standards and frameworks, and the specific context of automobile production.

The principles supplement and detail the Integrity Code with respect to human rights and good working conditions. These principles e.g. includes explicit information on employee rights. This relates to appropriate remuneration and compliance with statutory or industry-specific working time requirements as well as the prohibition of child and forced labour, for example. The information also covers subjects such as freedom of

association and the right to collective bargaining, health and safety at work, as well as the right to equal opportunities and protection against discrimination.

The Chairman of the Board of Management and other members of the Board of Management of Mercedes-Benz Group AG have signed these principles, together with the General Works Council, the World Employee Committee and IndustriALL Global Union.

All relevant specialist units of the Group participated in the drafting of the principles. This included input from in-house human rights experts, as well as the perspectives and expertise of external stakeholders.

On a regular basis and as required, the Mercedes-Benz Group continues to develop and adapt the principles in accordance with the results of the risk analysis undertaken as part of the HRRS. The Mercedes-Benz Group communicates them to all its employees as well as to the consolidated Group companies. The policy statement is available in various languages and has been attached to the Integrity Code since 2023. It is enclosed with every employment contract. The Group's internal audit department also ensures compliance with this declaration of principles in its audits and includes it in its audit criteria.

↗ Social Compliance – Human Rights Respect System

↗ Social compliance – Social Compliance Management System

Requirements for suppliers

GRI 407-1 GRI 408-1 GRI 409-1

The Mercedes-Benz Group is committed to responsible procurement of production and non-production materials and services.

The Group has defined the guidelines for sustainable supply chain management in the "Responsible Sourcing Standards" (RSS). They define minimum requirements and expectations for direct suppliers (Tier 1) and contractually oblige them to comply with the requirements, to communicate them to their employees and upstream stages of the value chain, and to monitor compliance with them in their business processes and sphere of influence. The RSS form the basis for the responsible procurement of materials and services and allow sustainable progress in close collaboration with partners. The aim is to prevent, minimise or, as far as possible, eliminate negative impacts on people and the environment worldwide. The RSS are an integral part of all new orders from Tier 1 suppliers, and the central contractual document for minimum and sustainability requirements for suppliers. They are applied worldwide.

The RSS are derived from the following Group-wide documents, among others:

- The Integrity Code
- The Declaration of Principles for Social Responsibility and Human Rights
- The Group Guideline on Environmental and Energy Management
- The strategic ambitions to achieve CO_2 neutrality

In addition to the minimum human rights requirements, the RSS also stipulate minimum environmental requirements. Suppliers are obliged to conserve natural resources and to avoid, rectify or compensate for environmental damage where such damage is unavoidable or irreparable.

The Mercedes-Benz Group has concluded contracts for work and services with its service providers for its own German locations. They go beyond the legal requirements in many areas. In particular, the Mercedes-Benz Group places high demands on occupational health and safety, the accommodation and deployment of temporary personnel and use of subcontractors. It also requires that no pseudo self-employment be allowed. These standards apply to all assignments with a duration of more than two months which are physically carried out on the premises of the Mercedes-Benz Group companies in Germany.

Organisational embedding

GRI 2-19/-23/-24 GRI 3-3

The organisational embedding of the topic of human rights at the Mercedes-Benz Group is based on the Declaration of Principles for Social Responsibility and Human Rights and an internal Group guideline on the implementation of human rights due diligence obligations.

The overarching activities relating to human rights are managed by the Board of Management directorate Integrity, Governance & Sustainability of Mercedes-Benz Group AG. This is where responsibility for the Declaration of Principles for Social Responsibility and Human Rights and for the further development of human rights due diligence within the Mercedes-Benz Group via the Group's own HRRS lies. The responsible member of the Board of Management continues to develop the topic in line with the targets set by the Board of Management and Supervisory Board. To this end, the member is regularly informed about the Group's human rights activities and receives corresponding reports.

The Chief Compliance Officer of the Mercedes-Benz Group is also the Group's Human Rights Officer. He is a member of the Group Sustainability Committee and reports to the Board of Management member responsible for Integrity, Governance & Sustainability. His role is to monitor compliance with the principles and the HRRS. Annually and as required to the Board of Management of Mercedes-Benz Group AG and other bodies, he reports on particularly relevant human rights issues and on the implementation status of the Declaration of Principles.

In addition the Human Rights Officer heads the Human Rights Steering Committee, which coordinates the implementation of the Declaration of Principles and the HRRS within the Mercedes-Benz Group. The members include representatives from Procurement and Human Resources as well as the Group's Environmental and Energy Officer.

The Social Compliance department provides support in defining the requirements of human rights due diligence within the Mercedes-Benz Group and towards suppliers, and works closely with the specialist departments responsible for the operational implementation of human rights due diligence – in particular with the procurement units.

Strategic decisions on human rights issues are made by the relevant sustainability committees or the full Board of Management. In the reporting year, the following topics were discussed with the responsible members of the Board of Management:

- Outlook on regulatory developments and derivation of corresponding action recommendations for the Group
- Status quo on identified risks from the raw materials assessment and prioritisation for the current year
- Further development of guidelines, processes, structures and measures that are aligned with the requirements of the LkSG

The Board of Management also informs the Supervisory Board regularly, but at least once a year, about sustainability issues such as human rights and working standards.

Human Rights Respect System

GRI 3-3 GRI 414-1

The HRRS is the human rights due diligence approach of the Mercedes-Benz Group. It includes protection of the Group's own employees through the Group-wide Social Compliance Management System (Social CMS) in Group companies, as well as processes for human rights due diligence in supply chains as part of Supplier Compliance Risk Management (SCRM) for direct suppliers and, on a risk basis, indirect suppliers (beyond Tier 1).

The HRRS is to be understood as a cycle that essentially consists of four steps: 1. Risk assessment, 2. Programme implementation, 3. Control, 4. Reporting. It is designed to systematically identify risks as well as potential and actual adverse impacts of business operations on the upholding of human rights at an early stage, to prevent them and to initiate countermeasures if required. In addition, the Group's own whistleblower

system BPO (Business & People Protection Office) contributes to human rights due diligence at the Mercedes-Benz Group. With the BPO, both the rights holders and the Group are protected.

↗ Compliance Management – The Whistleblower System BPO

The Mercedes-Benz Group is expanding the HRRS step by step, and also involving external stakeholders and experts in the process. This also includes rights holders such as employees and their representatives or the local population. For example, the Mercedes-Benz Group consults with international non-governmental organisations (NGOs) on the human rights risks associated with the extraction of certain raw materials.

Social Compliance Management System

GRI 403-7

With the Social CMS, the Mercedes-Benz Group has integrated the topic of human rights for the Group companies into the Group-wide, systematic compliance risk management process.

↗ Compliance Management – The Compliance Management System

Through the Social CMS, the Mercedes-Benz Group especially identifies and addresses those human rights risks that may arise in the workforces of its own Group companies. Employee rights are addressed systematically and on a risk basis as part of the Social CMS.

Using recognised country risk indices and the respective business model, the Mercedes-Benz Group first determines the abstract human rights risk situation of its Group companies. The focus here is on the main risks that have been identified for the Group companies:

- Employee rights
- Diversity and non-discrimination
- Security and
- Local risks at the locations

The focal points are derived from the material human rights risks as set out in the Declaration of Principles on Social Responsibility and Human Rights. On this basis, the specific human rights risks are then identified and evaluated in direct dialogue with the responsible compliance departments. Each Group company is then assigned to a corresponding risk class.

↗ Compliance Management – Compliance risks

The results of the risk assessment form the basis for deriving and allocating risk-specific packages of measures. These can be further adapted as required, with the compliance officers of the global compliance network also involved.

↗ Social Compliance – Measures and results in the Group companies

The Social CMS is regularly reviewed and revised as part of the annual compliance risk analysis, and on an ad hoc basis. The reasons for this can be a new or changed business operation of a Group company, as well as newly identified, rated or prioritised risks and focal risk areas.

Supplier Compliance Risk Management

As part of Supplier Compliance Risk Management (SCRM), the Mercedes-Benz Group subjects all the Tier 1 suppliers of its procurement units for production materials as well as for non-production materials and services to a risk assessment at least once a year.

Following an initial overarching risk assessment, the specific risks are determined using specific questionnaires. In addition, the procurement departments for production materials as well as non-production materials and services for all Tier 1 suppliers continuously check for human rights and environmental risks using artificial intelligence.

The Mercedes-Benz Group follows up internal and external reports of potential human rights violations from Tier 1 suppliers and substantiated knowledge from Tier N suppliers as part of the SCRM. It examines the nature and severity of the potential human rights violation. Depending on the results of the risk assessment or the analysis of suspected cases, the procurement departments for production materials, non-production materials and services agree and review suitable preventive or corrective measures with the supplier.

↗ Social Compliance – Training on the topic of human rights

Identification of risk raw materials and services

GRI 414-1

In order to examine the risks associated with raw materials, the Mercedes-Benz Group first analysed the raw materials present in its vehicles and prioritised them based on various factors. As a result it identified 🌐 24 critical raw materials. The list is reviewed annually on the basis of certain criteria, such as the country risk of the main mining countries, and updated if necessary.

The Group plans to gradually examine the 24 critical raw materials identified in greater depth by 2028. This examination is in three stages:

1. Increasing transparency along the raw material supply chains – especially for certain Mercedes-Benz components such as battery cells. To this end, Mercedes-Benz AG contacts the suppliers of the relevant components and asks them to disclose their supplier structure in a self-disclosure form.

2. Identifying risk hotspots in the raw material supply chains – for example on the basis of country risks in the individual mining countries.

3. Defining and implementing measures for the risk hotspots and checking whether they are effective in the long term.

As part of its risk assessment, the Mercedes-Benz Group is guided, among other things, by the so-called Severity Approach of the UN Guiding Principles. The Mercedes-Benz Group then assesses which of the material human rights risks arise in connection with a specific raw material. The severity (scale) of the risk and the number of people affected (scope) are then assessed. In a further step, the Mercedes-Benz Group assesses whether the risk also occurs in its own production material supply chain on the basis of supplier dialogues, supplier self-assessments and audits. If this is the case, the Mercedes-Benz Group defines suitable measures to minimise the main human rights risks.

When selecting measures, the Mercedes-Benz Group follows the principle of not excluding high-risk areas as sources of critical raw materials across the board. Instead, it seeks to make an active contribution to better protecting people and the environment along its supply chains. In line with the recommendation of NGOs, politicians and other relevant interest groups not to withdraw from critical countries, it follows the principle of “empowerment before withdrawal”. This is enshrined as a regulatory principle in the Supply Chain Due Diligence Act (LkSG), for example. The aim is to improve the situation on the ground for the local people, and to strengthen their rights. To this end, the Mercedes-Benz Group works closely with relevant stakeholders in the raw material-specific supply chains.

The Group publishes the results of these assessments in its 🌐 Mercedes-Benz Raw Materials Report.

The Mercedes-Benz Group also carefully reviews the services it uses. Services that are particularly critical from a human rights perspective have been identified as part of an impact assessment. Analysis resulted in a list of 27 services that are potentially critical in terms of human rights. They are divided into the following five categories:

- Construction services
- Event services
- Security services
- Maintenance services
- Logistics services

This risk mapping is carried out regularly to take account of current developments and adjust the classification of risks if necessary. The main human rights risks for the identified services are then identified on a step-by-step and supply chain-specific basis, and appropriate measures are defined.

Stakeholder involvement

GRI 2-29

The Mercedes-Benz Group attaches great importance to further developing and implementing its HRRS together with external stakeholders. It is particularly important for it to engage with potentially affected rights holders, for example with employees and their representatives, in order to identify human rights risks and develop appropriate measures. But the Group also engages in dialogue with external third parties such as civic organisations or local communities and takes their suggestions into account.

As part of the annual "Sustainability Dialogue" in Sindelfingen, the Human Rights Working Group discussed the challenges of implementing standards and measures in the deeper supply chain in the reporting year. There was also a dialogue with suppliers concerning the RSS. The aim of the Human Rights Working Group at the "Sustainability Dialogue" is to incorporate feedback and expertise from external stakeholders into further development of the HRRS.

↗ Sustainability management – Dialogue with stakeholders

In addition, a core group of external stakeholders was formed to support the Mercedes-Benz Group in the further development of the HRRS. In the reporting year, the core group discussed the risk analysis carried out with the Social CMS, among other things.

It also systematically involves potentially affected stakeholders in the review of the 24 raw materials identified as critical, in order to identify human rights and environmental risks and implement suitable measures. Regional and local NGOs are an important interest group in this respect, as they often provide a more accurate picture of the situation on the ground and know the concerns of the potentially affected parties. In addition, there were further trips to mining regions in the reporting period, including Brazil and Guinea, from where Mercedes-Benz AG obtains bauxite and aluminium. The on-site visits serve to establish contact with potentially affected persons and involve them in formulating suitable measures. Mercedes-Benz AG also favours the greater involvement of potentially affected parties, such as the local population, in audits using standard systems.

Complaints management

The BPO whistleblower system enables employees and external whistleblowers worldwide to report breaches of regulations. In this way, the Mercedes-Benz Group becomes aware of potential human rights risks, can avert damage to the Group, its employees and third parties, and protect persons harmed by misconduct.

With regard to the supply chains, violations of the Responsible Sourcing Standards can also be reported via the BPO. Insofar as the misconduct or grievance lies within the supplier's sphere of responsibility, the supplier is instructed to remedy it immediately. The supplier is furthermore obligated to make known the available opportunities to lodge a complaint within its supply chain. In addition, it must ensure that the information is also passed on to the deeper supply chain. At the same time, the Mercedes-Benz Group requires its suppliers to establish an equivalent complaint format for their own supply chains. They are also to work towards incorporating a similar reporting obligation in contracts with sub-suppliers. According to this, relevant information and reports of violations must be shared by sub-suppliers with the partner.

↗ Social Compliance – The Whistleblower System BPO

In addition, the Mercedes-Benz Group is participating in the conceptualisation and planned regional testing of a cross-company complaint mechanism as part of the National Action Plan for Business and Human Rights of the Federal Republic of Germany.

Measures and results

Training on the topic of human rights

GRI 410-1

The Integrity Code and the Declaration of Principles for Social Responsibility and Human Rights are binding for all employees of the Mercedes-Benz Group as well as the consolidated Group companies, and are therefore an integral part of its training concepts. Both are the subject of the mandatory web-based basic module Integrity@Work, which also covers other topics such as integrity and compliance and must be absolved by all employees every three years. Through the training sessions, the Group communicates to all employees the strategic and operational importance of the topic of human rights for the Mercedes-Benz Group, and its relevance in everyday working life. In addition, new employees undergo additional function-specific, human rights-related training during their induction, depending on their area of activity.

In 2023, human rights compliance training was also introduced for all managers worldwide to familiarise them with the requirements of human rights due diligence in line with their role.

Mercedes-Benz AG gives specific training to its employees in Procurement: corresponding sustainability training courses were also held in the reporting year. Employees of the Mercedes-Benz AG procurement unit for production materials were trained in the key requirements that suppliers must accept when awarding contracts.

The Mercedes-Benz Group's procurement unit for non-production materials and services also organised further training sessions in the reporting year. The training courses focused on the requirements of the Supply Chain Due Diligence Act.

As part of the continuous compliance training programme, employees of the Mercedes-Benz Group as well as employees of the consolidated Group companies completed 151,428 web-based training programmes related to human rights topics in the reporting year; this corresponds to 22,736 hours.

↗ Compliance management – Communication and training

Measures and results in the Group companies

GRI 410-1

Mercedes-Benz Group AG monitors and verifies the respect and protection of human rights in all of its Group companies. Accordingly it systematically examines major areas of potential risk in the Group companies with a risk-based approach. The results are carefully evaluated and documented.

↗ Social Compliance – Social Compliance Management System

Specific packages of measures are allocated to the business units based on the risk classification of the Group companies. The Group companies implement these measures. The packages of measures address the four identified key risk areas of employee rights, diversity and non-discrimination, safety and local risks at the locations, and regulate who is responsible for implementing the measures.

In the reporting year, 100% of all Group companies were audited as part of the Social CMS. A high risk was identified for 7% of the Group companies.

Specific measures to minimise the material human rights risks included, for example, specific requirements relating to employee rights such as the right to collective bargaining and employee representation, working time and remuneration requirements, and requirements relating to the assurance of equal opportunities and anti-discrimination.

The appropriateness and effectiveness of the measures were reviewed in the reporting year, based on the requirements of internal Group evaluation processes.

Measures and results in the supply chains

GRI 3-3 GRI 407-1 GRI 410-1 GRI 414-2

The Mercedes-Benz Group employs a wide range of measures and concepts to perform its due diligence in the supply chain. These include training, preventive and corrective measures, risk analyses, documentation for tracking and reporting purposes and effectiveness checks. Using these tools, the Mercedes-Benz Group seeks to increase transparency in the supply chain while working with business partners to ensure that internationally recognised human rights are respected

and other social standards and environmental requirements are observed. The procurement units for production materials, non-production materials and services play a central role here.

↗ Climate protection – Climate protection in the supply chain

General preventive measures and training

In order to successfully manage sustainability issues such as respect for human rights in the supply chain, having a common understanding of values is not the only important aspect. Know-how regarding the correct implementation of the applicable requirements is just as necessary. Accordingly, the Mercedes-Benz Group has sensitised and informed its suppliers by means of corresponding training modules for many years. Where appropriate, it has also done so as part of its involvement in sustainability and human rights initiatives.

Since 2018, Mercedes-Benz AG has organised awareness-raising and information measures for suppliers of production materials in various focus countries together with the “Drive Sustainability” initiative. The Group selected the respective countries jointly with this initiative. As part of the training, suppliers receive instruction on human rights and working conditions – including topics such as working hours, fair pay, freedom of assembly and forced labour.

Based on its sustainability standards for suppliers and its Integrity Code, the Mercedes-Benz Group has also developed the Compliance Awareness Module. This was last revised in the reporting year and supplemented with e.g. environmental topics. This publicly available training module helps suppliers to handle possible integrity and compliance-related risks in a responsible manner. All suppliers can access the module via the Supplier Portal at any time.

Measures in the raw material supply chains with a direct impact on local people include two projects with Bon Pasteur in cobalt mining regions of the Democratic Republic of Congo, and Terre des Hommes in India in mica mining regions – both projects were extended during the reporting period. They support the local population by providing educational programmes, particularly for children, and by developing alternative sources of income outside of small-scale mining.

↗ Corporate citizenship

Risk analyses using questionnaires, audits and screenings

GRI 308-1

The procurement units for production materials, non-production materials and services systematically analyse whether and to what extent their suppliers uphold human rights. Tier 1 suppliers identified as having an increased risk of human rights and environmental violations are questioned about these issues in writing . The answers help the Mercedes-Benz Group to identify potentially increased human rights and environmental risks at certain suppliers and service providers and enable it to enter into dialogue with them.

To ensure comparability, the Group also uses standardised tools from external sources: one example is the industry-wide sustainability questionnaire on social and environmental due diligence (Sustainability Assessment Questionnaire) from the European sustainability initiative Drive Sustainability. The Mercedes-Benz Group uses this as a basis to review service supply chains with an increased risk of human rights violations.

In addition, using artificial intelligence, Tier 1 suppliers were continuously screened for human rights violations and breaches of environmental standards in the reporting year. The aim is to identify possible violations at an early stage using current supplier data. If suspicions arise, the responsible procurement department initiates an in-depth review. In addition, the Mercedes-Benz Group continued its audits of direct suppliers in 2023, carrying out a total of 744 inspections. There were anomalies in the areas of working time, communication of sustainability requirements and business ethics, among others. If on-site inspections reveal deficiencies at a supplier, the Mercedes-Benz Group calls on the supplier to improve the relevant processes. If the supplier does not adequately improve the processes that have been criticised, the Group decides on the further steps to be taken on a case-by-case basis – in particularly serious cases also in management committees. Ultimately this can also lead to the Mercedes-Benz Group severing its relationship with a supplier.

Depending on the circumstances of the case, a specific sustainability assessment can also be commissioned from e.g. the Responsible Supply Chain Initiative (RSCI) for suppliers of production materials.

↗ Social compliance –
Industry associations, initiatives and standards

The Mercedes-Benz Group continuously improves the tools and processes for reviewing Tier 1 suppliers in general, and their high-risk raw material supply chains in particular.

Since 2018 , the audit and consulting company RCS Global has been creating transparency about the complex cobalt supply chains of battery cells for Mercedes-Benz, and audits them across all stages in accordance with OECD Due diligence guidelines. Following initial audits in the cobalt supply chains, the commitment was extended to other battery raw materials in 2022 – specifically to lithium, nickel, graphite, cobalt, manganese and copper . Mercedes-Benz is also gradually increasing transparency in these supply chains and carrying out audits. In addition, the audit scope with a human rights focus has been expanded to include environmental aspects and applied to selected audits – including examination-related content.

↗ Climate protection in the supply chain – Battery

Up to the end of 2023, the Mercedes-Benz Group was able to complete 57% of the process of reviewing all 24 critical raw materials, thus achieving its target for 2023. The achievement describes the progress in the overall process of assessing all 24 raw materials, which includes fully complete and partially complete assessments.

In the reporting period, it completed the review of cobalt, lithium, nickel, copper and platinum group metals (PGMs) Platinum group metals (PGMs). Among the risk areas identified, the rights of local communities and indigenous groups are a priority, as are child labour and shortcomings in occupational health and safety. They are therefore the focus of further planned measures. Detailed information on the review of the individual raw materials, identified risks and measures introduced can be found in the Raw materials report.

The Mercedes-Benz Group has set itself the goal of assessing all 24 critical raw materials by 2028. Progress was also made in the reporting period for raw materials where checks have not yet been finalised: for example, the Group collected important data required for the assessment – on reserves, production quantities, extraction and processing of the raw materials, as well as on the trade in them.

Industry associations, initiatives and standards

GRI 2-28

The Mercedes-Benz Group has long been involved in various sector and industry associations, as well as initiatives and networks that deal with the issues of sustainability and human rights in the supply chain. These memberships help it to make complex supply chains more responsible through joint action. They include:

- **UN Global Compact:** The Mercedes-Benz Group is a founding member of the UN Global Compact.
- **German Global Compact Network:** The Mercedes-Benz Group is a founding member of the UN Global Compact Network Deutschland e.V. association and is an active member of the Human Rights Peer Learning Group.
- **econsense – Forum for Sustainable Development of German Business:** The Mercedes-Benz Group is a theme sponsor for human rights and is involved in the Human rights & value creation cluster.
- **World Business Council for Sustainable Development (WBCSD):** The Mercedes-Benz Group is a member of this global business initiative for sustainable development and participates in programmes on climate action and social justice, among other topics.

- **Responsible Supply Chain Initiative RSCI e.V. (RSCI):** The Mercedes-Benz Group is a founding member of the association initiated by the German Association of the Automotive Industry (VDA). The RSCI aims to help all players in the automotive industry use on-site inspections and corresponding follow-up measures to improve and further develop the sustainability of their supply chains. Among other things, the RSCI is developing a standardised monitoring mechanism to assess the sustainability performance of companies.

- **Drive Sustainability:** The Mercedes-Benz Group is a LEAD partner of the European automotive industry initiative Drive Sustainability, which promotes sustainability in the supply chain. Common guidelines play an important role in this:

  - The Automotive Industry Guiding Principles to Enhance Sustainability Performance in the Supply Chain

  - The Raw Material Outlook, a service developed on the initiative of Mercedes-Benz to support suppliers and stakeholders along raw material supply chains in carrying out effective due diligence.

- **Automotive industry dialogue in the National Action Plan on Business and Human Rights (NAP):** The Mercedes-Benz Group actively participates in the NAP dialogue of the automotive industry. The aim is to work together with representatives from civil society, academia and politics, business and associations to develop solutions to strengthen human rights in value chains. For example, as part of the lithium pilot project, country-wide quality and action recommendations for responsible lithium mining were developed and published in the reporting year. The quality recommendations are aimed directly at lithium mining companies and describe the common expectations of the stakeholders in the automotive industry dialogue with regard to responsible lithium mining. The action recommendations show how companies in the German automotive industry can support ambitious implementation of the quality recommendations in the mining regions in line with the UN Guiding Principles.

- **Catena-X:** Since 2021, the Mercedes-Benz Group has been involved in the cooperation project Catena-X. The aim is to enable secure and cross-company data exchange between all participants in the automotive value chain. In the reporting year, over 70 companies joined this collaborative project to drive forward the digitisation of automotive supply chains. Among other things, Catena-X is intended to support the Mercedes-Benz Group in checking whether and to what extent suppliers are complying with specified sustainability requirements. This is achieved by completing the data chain up to the upstream and downstream stages of the value chain, i.e. from the mines of the raw materials to the recycler, with information that provides insight into aspects relevant to human rights – e.g. the origin of the raw material, mining certifications or information on the carbon footprint.

↗ More resource-efficient vehicles – Involvement in raw material initiatives

↗ Further Information – Memberships, associations and initiatives

Standards are becoming increasingly important for human rights and environmental due diligence obligations relating to supply chains. There are now numerous different systems that vary in their effectiveness. As the standards landscape evolves, Mercedes-Benz AG endeavours to support suppliers of production materials in identifying the most appropriate standards for their purpose. For this reason, Mercedes-Benz AG has issued a Guidance for Suppliers: Navigating Quality and Effectiveness of Mining and Supply Chain Standards. On the basis of this guidance, Mercedes-Benz AG works in direct dialogue with the standard initiatives examined to ensure that the systems identify and mitigate environmental and human rights risks as effectively as possible.

Traffic safety

Materiality and goals

GRI 2-23 GRI 3-3

Targets	Target horizon
Vehicle and environmental safety	
Further improving accident prevention systems	Ongoing
Making vehicles even safer for occupants during and after an accident	Ongoing
Making vehicles even safer for other road users, for example pedestrians	Ongoing
Increasing general traffic safety through safety initiatives	Ongoing
Automated driving	
Expanding the automation of driving functions in the SAE level 2-4 range	Ongoing
Continued integration of social and ethical aspects into automated SAE driving levels 2-4	Ongoing

Safety is a fundamental brand value of Mercedes-Benz. Accident-free driving – this vision drives the Mercedes-Benz Group and is a fixed element of its sustainable business strategy. The Group's driving assistance systems are already designed to offer drivers and other vehicle occupants a high level of safety. They can help to avoid and safely manage critical driving situations in order to protect the occupants as well as other road users.

Automated driving systems have the potential to fundamentally change the nature of mobility. They offer great opportunities for improvements, but at the same time, it is also important to consider possible risks: it is crucial that product development also takes legal and ethical aspects into account from the outset, beyond certification and safety-related issues.

The Mercedes-Benz Group supports the EU's "Vision Zero" with the goal of halving the number of road deaths and serious injuries by 2030 compared to 2020, and reducing the number of traffic fatalities to zero by 2050. With tried and tested safety and assistance systems, a vehicle manufacturer such as the Mercedes-Benz Group can make a decisive contribution to achieving this goal. The mission is clear: best possible accident safety with high occupant and partner protection.

Meeting this "Vision Zero" goal requires cooperation between numerous parties who are intensively concerned with Safe road traffic – also beyond their own core business.

Vehicle and environmental safety

Strategy and concepts

Safety for everyone involved

GRI 3-3

"Real-Life Safety" – this is the safety philosophy of the Mercedes-Benz Group. For decades, the Mercedes-Benz Group's in-house accident research, which is integrated into vehicle development, has been laying the foundations for innovative, high-performance safety systems, because the Mercedes-Benz Group wants to build vehicles whose safety not only impresses in crash tests, but also on the road. Its specialists continuously work on improving traffic safety and equip the vehicles – across several levels up to automated driving – with ever more intelligent assistance systems that can help to prevent accidents or mitigate their severity.

To this end, they also analyse real accidents and use the findings to evaluate new technologies with a view to vehicle safety. The Mercedes-Benz Group also uses educational programmes to raise public awareness of vehicle safety and traffic safety.

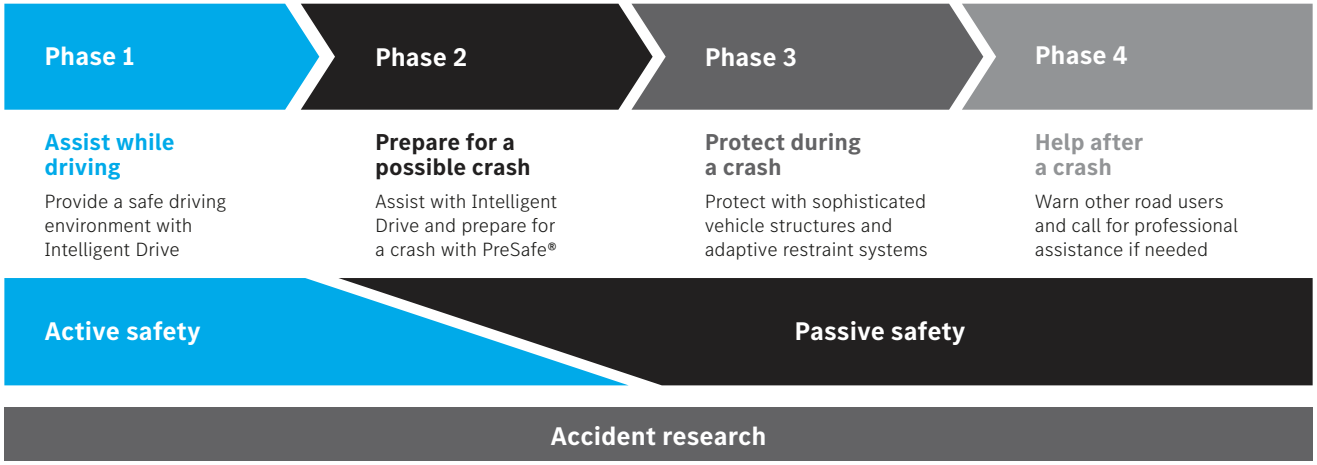
The objectives and decisions in the area of road safety are formulated and made by the Integral Safety Steering Committee (LK IS) together with the members of the product projects. This reports directly to the Research & Development Executive Committee of Mercedes-Benz Cars.

↗ Vehicle and environmental safety – Accident research and crash tests

Holistic safety concept

GRI 3-3

The integral safety approach



Measures and results

Assistance and safety systems

GRI 416-1

Innovations in assistance and safety systems are measured by the contribution they make to road safety – both at vehicle level and in terms of traffic safety.

For example, Mercedes-Benz vehicles equipped with driving assistance systems can support drivers in steering, braking and accelerating (SAE-Level 2).

↗ Automated driving – Leading role in automated driving

Driving assistance systems can react differently to the danger of a collision, depending on the situation. One example is the Active Brake Assist system, which is standard equipment in Mercedes-Benz cars. It can help to prevent or mitigate the severity of accidents with vehicles ahead and with pedestrians or cyclists crossing the road. If a risk of collision is detected, the system can warn the driver both visually and acoustically. If the driver fails to react despite the warning, Active Brake Assist can brake autonomously up to a certain speed.

Speed Limit Assist displays the currently applicable speed limit. It has been standard equipment in the Mercedes-Benz A-Class since 2018 and has been integrated and expanded in other models since its introduction. Today, the warning of excessive vehicle speed is always active when the vehicle is started. It is given by acoustic and visual signals and thus fulfils the requirements of the EU General Vehicle Safety Regulation.

Following the introduction of “automated lane changing” in the USA, the Mercedes-Benz Group is planning to offer this function in other regions in the future. This feature extends the functions of Active Steering Assist (SAE Level 2), which is able to initiate lane-changes on motorways.

Mercedes-Benz also maintains high safety standards in the van segment. The vehicles from Mercedes-Benz Vans feature a wide range of modern safety and assistance systems.

For example, the Mercedes-Benz Sprinter is equipped with the radar-based DISTRONIC Distance Assist system and Crosswind Assist as standard, which can above all make driving at higher speeds safer. The new T-Class comes with numerous driving assistance systems as standard. These include Hill Start Assist, Crosswind Assist, ATTENTION ASSIST, Active Brake Assist with Cross-Traffic Function, Active Lane Keeping Assist, Blind Spot Assist and Speed Limit Assist.

Accident research and crash tests

GRI 3-3

The basis for efficient safety systems and better protection for occupants is systematic accident research that incorporates findings from real road accidents. In line with the “real-life safety” approach, the experts at the Mercedes-Benz Group therefore continuously investigate accidents involving vehicles of their brand. The Group wants to understand how accidents occur and what protective systems could have prevented them. With this goal in mind, it developed the exit warning function as part of Active Blind Spot Assist, for example. The Mercedes-Benz Group intends to further expand its commitment in this area and also seeks to work even more closely with existing and new partners. The aim is to evaluate anonymised worldwide accident data in compliance with data protection regulations.

The electrification of the Mercedes-Benz vehicle fleet also presents new challenges for accident research.

During the reporting year, the Mercedes-Benz Group conducted the world’s first public crash test with two fully electric vehicles impacting each other, the EQA and the EQS SUV. The test setting went beyond both the legal requirements and those of the rating institutes. On board of each of the EQA and EQS SUV were two adult dummies, a total of three female and one male frontal impact dummies so as to show that Mercedes-Benz Group takes all genders into account. The different dummies had female and male anatomical features in order to take gender-specific differences into account. The analysis following the crash showed that the energy of the impact can be effectively dissipated even if the vehicles are considerably deformed. The safety passenger cell of both electric models remained intact, and the doors could be opened. This means that should the worst happen, the occupants can leave the vehicle independently or be reached by first responders and rescue personnel. In addition, all safety devices such as airbags and belt tensioners with belt force limiters deployed as intended. At the same time, the high-voltage system of the EQA and EQS SUV switched off automatically. The findings therefore confirm the high safety potential of the vehicles, even in serious collisions.

In addition, the Mercedes-Benz Group tests the crash safety of its vehicles and subsystems with state-of-the-art testing technology at the Technology Center for Vehicle Safety (TFS) in Sindelfingen (Germany). Computer simulations also enable the Group to improve the maturity level of the test vehicles and safety systems even before the first crash test – and thus increase

development efficiency. On the crash test tracks of the TFS, around 900 crash tests and around 1,700 sled tests can be carried out each year.

In many cases, the Group's high in-house safety requirements go beyond the legal requirements and those of the rating agencies. The load cases analysed in the crash test are also based on the findings from accident research.

Cooperation to further improve vehicle safety

The goal of making road traffic safer can only be achieved together with others. That is why the Mercedes-Benz Group relies on cooperations and participates in research projects. The Group is working with external partners to identify standard procedures that can be used to predict the potential of new protection systems. It also seeks to work even more closely with existing and new partners, in order to continuously improve and expand the collation of accident and traffic data.

Since 2016, the Mercedes-Benz Group has been involved in the "Tech Centre i-protect" strategic cooperation project between business, science and politics. Together with Robert Bosch GmbH, the Fraunhofer Institutes for High-Speed Dynamics and Material Mechanics, the Sustainability Performance Center Freiburg, the SimTech Cluster of Excellence at the University of Stuttgart and the Technical Universities of Dresden and Graz, it is researching safety solutions for vehicles. Within the project, for example, the Mercedes-Benz Group is working on new restraint systems for future vehicle interiors, using digital possibilities in accident research and testing new approaches such as the use of injury simulations with digital human models. The goal of this interdisciplinary cooperation is to network various projects in an agile manner in order to develop ideas and technologies from fundamental research to the near market-readiness stage.

New approaches and solutions

With the so-called Experimental Safety Vehicle (ESF) 2019, Mercedes-Benz presented more than 20 new ideas and new approaches in the field of active and passive safety to specialist circles – including near-series developments such as the rear airbag, which is now available in the S-Class.

The ESF 2019 is a research vehicle that demonstrates a safety concept for future models that can be operated in assisted and partially automated (SAE Level 0-2) or highly automated (SAE Level 4) modes. The ESF 2019 will therefore remain relevant over the next few years as well. Examples of future development priorities include the adaptation of restraint systems to new seating positions and cooperative behaviour in highly automated driving (SAE Level 4), i.e. communication between the vehicle and its surroundings.

Thanks to the extremely high networking capability of vehicle systems, sensors and actuators, Mercedes-Benz facilitates the development and implementation of sophisticated safety functions. One example is a new system equipped with over 20 interfaces that recognises whether there are children in the vehicle (Child Presence Detection – CPD). CPD was first introduced as a feature in the Concept CLA Class. In upcoming vehicle generations It is intended to reduce the risk of small children being accidentally left in the vehicle during hot weather, which can sometimes have tragic consequences.

The system recognises the presence of a child in the vehicle based on its characteristic breathing pattern. The sensors involved are so sensitive that they can even recognise the gentle breathing of a sleeping newborn baby. At the same time, cameras can detect the presence of an adult in the front passenger seat, for example. If the system detects that a child is alone in a parked vehicle, it triggers an escalation process to warn the driver when he/she leaves or moves away from the vehicle. The system also sends messages to their smartphone at regular intervals, provided that the vehicle and smartphone are linked to the same Mercedes me account.

The system also monitors the vehicle's interior temperature. If it exceeds a critical value, further measures are initiated: the exterior lighting of the vehicle flashes, accompanied by an acoustic signal, which is intended to draw the attention of passers-by to the vehicle. This is why the sound differs from that of the typically shrill vehicle horn. At the same time, the air conditioning switches on to reduce the temperature in the interior to a more bearable level. At this point, alerts are also sent to all smartphones linked to the same Mercedes me account as the vehicle. The final escalation stage is

notification of the Mercedes-Benz SOS Call Centre or alerting of the regional emergency call centre.

Special safety concept for vehicles with high-voltage system

Mercedes-Benz has developed a multi-stage high-voltage safety concept for its electric vehicles. This has eight major elements for the safety of the battery and all components carrying more than 60 volts. It includes e.g. separate plus and minus lines and a self-monitoring high-voltage system which switches off automatically in the event of a severe collision. In many cases the high internal safety requirements exceed those of legislation or the consumer protection organisations. For rescue services, a High-voltage disconnect device is built in, which also allows the power supply to be cut off manually. The location of the high-voltage disconnect device varies depending on the vehicle in question and can be found in the rescue card of the respective vehicle.

Ratings and awards

Models from Mercedes-Benz Cars repeatedly receive top marks in safety tests by independent institutes. The ratings that Mercedes-Benz receives from the US Insurance Institute for Highway Safety (IIHS) are particularly noteworthy: in addition to crash safety, the IIHS rating[1] also assesses accident prevention systems and the lighting system.

The Mercedes-Benz C-Class, GLC-Class and GLE-Class have been awarded the “2023 TOP SAFETY PICK+” rating for the 2023 model year.

The Mercedes EQE also received two top ratings from Euro NCAP[2]: the highest possible rating of five stars in the “Euro NCAP” safety rating and the overall rating of “very good” with the optional Driving Assistance Package in the special rating for assistance systems. The E-Class also received an overall rating of “very good” in the special assessment for assistance systems. The C-Class was also given top marks by Korea-NCAP[3] and CIASI[4].

Initiatives for safety in road traffic

In addition to vehicle safety, the Mercedes-Benz Group is committed to a wide range of road safety projects. As children are among the most vulnerable road users worldwide, the Group launched the “MobileKids” initiative back in 2001 (“MobileKids”). This project is not only for children, but also for adults as well as schools and other educational institutions. With extensive information and learning material, including explanatory videos and worksheets for traffic safety lessons in various languages, it teaches children aged between six and ten how to behave safely in road traffic.

In China, for example, it has been offering road safety training for schoolchildren for several years. 210 partner schools in Beijing, Shanghai, Chengdu and Guangzhou have taken part to date. In addition, “MobileKids” has already organised more than 800 road safety courses in municipalities together with Mercedes-Benz dealers, also in China, and published the so-called Blue Book. This is a report for primary school pupils in Chinese cities. It presents the latest scientific findings in a way that is appropriate for the target group and makes suggestions for improving road safety for children.

Another example is the “SAFE ROADS” initiative. With this, the Group aims to make the topic of road safety tangible by means of technical reports and exhibits and, especially in countries with a high number of road accidents, to raise public awareness of safety issues. “SAFE ROADS” was communicated e.g. at the product launch of the E-Class in December 2023, in conjunction with the Mercedes-Benz safety strategy. The focus was on the results of accident research that are important for safer road traffic and the safety systems integrated into the vehicles including the “Intelligent Drive Demonstrator”.

1 Further information IIHS: C-Class; GLC-Class; GLE-Class.

2 Further information Test results according to Euro NCAP: EQE SUV; Special assessment for assistance systems.

3 Test result Korea-NCAP.

4 Test result CIASI.

Automated driving

Strategy and concepts

Advantages and risks of the new systems

GRI 3-3

Fewer accidents, more road safety: this is one of the objectives associated with the use of automated and autonomous systems in vehicles. However, a potential improvement in traffic safety is not the only advantage of automated driving: the technology can also make for efficient traffic management.

But for all the advantages, caution is also called for: when pursuing objectives, the ethical and legal risks of automated systems are also considered. The Mercedes-Benz Group therefore already takes them into account during product development.

In the area of automated driving, existing legal regulations must be applied to automated systems. The Mercedes-Benz Group has worked on the resulting questions regarding the application and interpretation of regulatory requirements in interdisciplinary expert and decision-making committees and defined its own internal rules for product design in automated driving. In 2023, the safety and compliance requirements for future products also took centre stage.

The Mercedes-Benz Group also continuously monitors the developments on the market and accordingly derives further measures for the safety of its automation systems as required – if necessary, also in close coordination with the responsible authorities.

Leading role in automated driving

The Mercedes-Benz Group aims to play a leading role in the field of automated driving systems and achieved an important success in this area in the reporting year: with the automated driving system DRIVE PILOT[5], the Group is the only manufacturer to have an SAE Level 3 system approved and certified in accordance with the specifications of the United Nations Economic Commission for Europe (UNECE) on the market in Germany, Nevada and California[6].

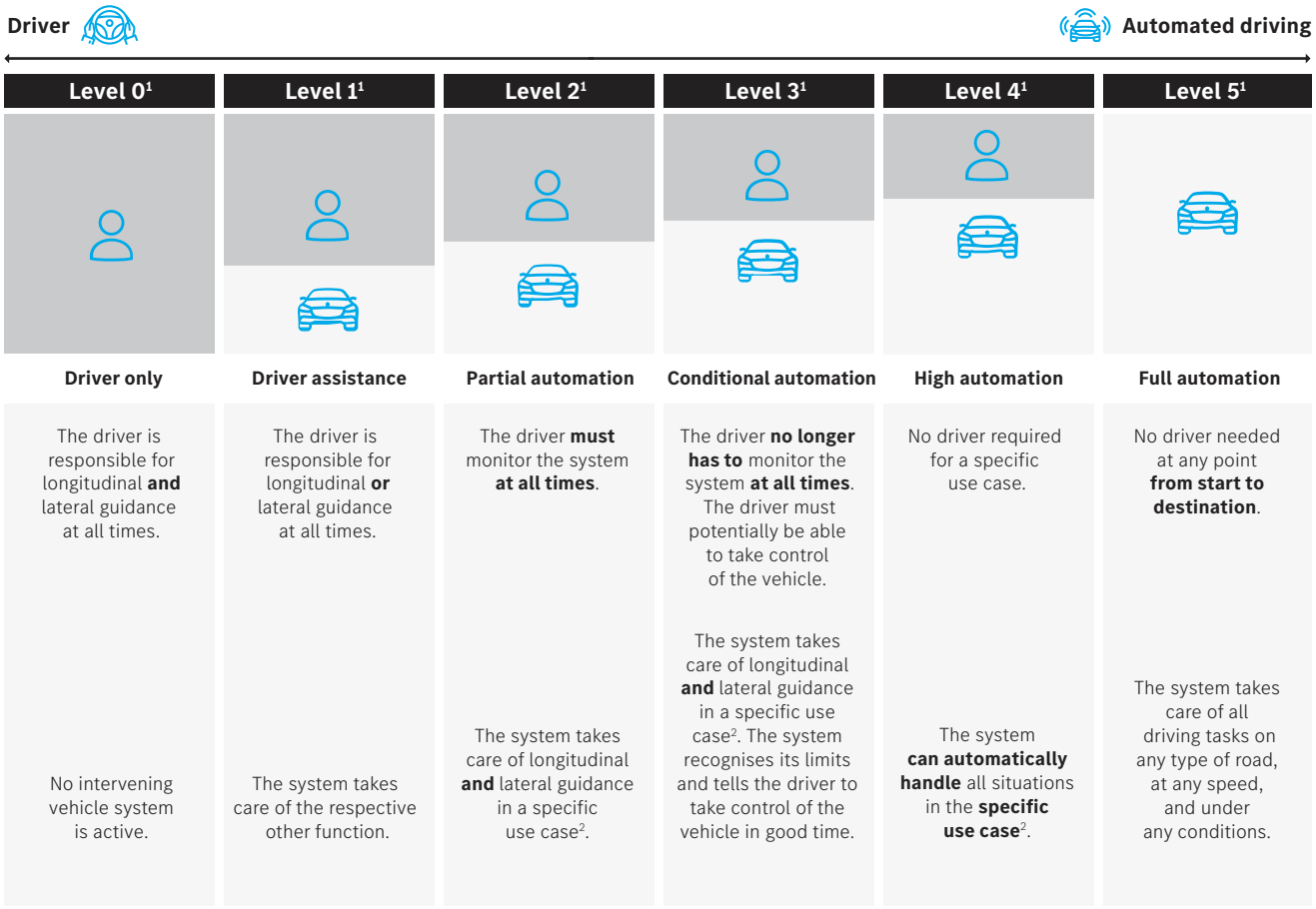
↗ Automated driving – Assistance and automation functions in the vehicle

The Mercedes Benz Group is proceeding step by step with the further expansion of automated driving systems, with safety always taking centre stage. By the end of this decade, the maximum motorway driving speed for SAE Level 3 systems is to reach 130 km/h. On the way there, e.g. for Germany, the Group wishes to develop an SAE Level 3 system with which up to 90 km/h can be realised as long as a vehicle in front is followed. The aim is to continuously increase customer benefits and thus the attractiveness of the driving systems. By the end of the decade, the Mercedes-Benz Group also plans to offer customers an SAE Level 4 system with driving functions.

In order to fulfil the claim to leadership described above, the Mercedes-Benz Group takes other aspects into account that go beyond purely technical issues. For example, it implements data protection principles and standards in accordance with the "Privacy by Design" maxim along the entire value chain. In addition, the Group integrates the "Ethics by Design" principle into its concepts for conditionally and highly automated driving and is continuously developing them further. In 2023, the focus was on ethical aspects of the use of artificial intelligence (AI) in automated vehicles and the use of personal image data from road traffic for assistance and automation functions in vehicles.

5 The availability and use of the DRIVE PILOT functions on the motorway depend on the equipment, countries and applicable laws.
6 The automated driving function takes over certain driving tasks. However, a person must still be ready to take control of the vehicle at all times if prompted to do so by the vehicle.

The technology stages on the way to autonomous driving



1 The automated driving function takes over certain driving tasks. However, a person must still be ready to take control of the vehicle at all times if prompted to do so by the vehicle.
2 The availability and use of the DRIVE PILOT functions on the motorway depend on the equipment, countries and applicable laws.

Standards and legal framework for automated driving systems

New technologies require legal certainty. That's why the Mercedes-Benz Group is a member of national and international bodies and associations that promote the establishment of consistent legal standards for automated driving. The aim is to define specific driving and system requirements. They help the Group to implement a wide range of legal, ethical, product safety and certification requirements in its systems.

↗ Automated driving – Involvement in committees and associations

In 2023, important progress was made at international level with regard to legal regulations for the use of automated systems. The UNECE's World Forum for Harmonisation of Vehicle Regulations extended the technical approval regulation for Automated Lane Keeping Systems (ALKS). In principle this allows a conditionally automated driving system (SAE Level 3) to be offered internationally and also serves as the basis for system approvals by the Federal Motor Transport Authority in Germany. The following change was decided: From 2023, the maximum speed for conditionally automated driving systems (SAE Level 3) with ALKS will be 130 km/h on motorways, including lane changes.

Other countries have now also created legal regulations for the use of automated systems, or initiated corresponding legislative processes.

In the opinion of the Mercedes-Benz Group, it is also necessary to further develop the respective national traffic and behavioural legislation in other countries. This is the only way to ensure that the legally compliant use of conditionally or highly automated systems (SAE Level 3 or SAE Level 4) is possible.

In order to allow the cross-border use of automated cars, international harmonisation of the relevant legal regulations will also be necessary. These should be as compatible as possible and include the same technological requirements. This also concerns the question of which regulations should apply to the data collection required for automated driving and how data should be handled in automated vehicles.

In addition, the national traffic legislation and rules of conduct in the countries in which a roll-out is planned must be translated into the system language. Although national traffic laws and rules of conduct define the applicable traffic regulations in the respective country, they are for the most part not designed as a direct template for the programming of technical systems.

Responsible product development

GRI 3-3 GRI 416-2

The development of automated driving systems presents special challenges. Accordingly, the Mercedes-Benz Group uses the tools provided by the “technical Compliance Management System” (tCMS) in the automotive divisions. The aim is to identify risks in the product development process at an early stage and to counter them preventively.

↗ Compliance management – Ensuring compliance with product requirements

The Group answers technical, legal, ethical, certification and safety-related questions relating to automated driving at Mercedes-Benz Cars with an integrated approach that is part of the tCMS. To this end, an interdisciplinary committee structure has been set up to deal with issues such as the responsible use of data and consideration for the needs of all road users who encounter automated vehicles on the road. In this way, the Group aims to increase both the safety and acceptance of its products.

If vehicles that are already in customer hands show anomalies in terms of safety, conformity or emissions, established assessment and regulatory processes take effect. The Group then carries out customer service measures or recalls vehicles if necessary.

In addition to the legal, certification-related and technical requirements, the Mercedes-Benz Group also observes further internal guidelines and ethical principles. These include, for example, the data vision principles and the AI principles that are applied to software requirements and the design of the hardware. The principles are based on those of the Mercedes-Benz Group and are set out in the Code of Conduct.

In addition to its own guidelines and principles, the Group takes its lead from national and international guidelines and standards. Relevant here are e.g. the 20 rules of the Ethics Commission of the German Federal Government on automated and connected driving and an independent expert report by the EU Commission entitled “Ethics of Connected and Automated Vehicles: recommendations on road safety, privacy, fairness, explainability and responsibility”.

Measures and results

Assistance and automation functions in the vehicle

Internationalisation of the SAE Level 3 system DRIVE PILOT

GRI 3-3

During conditionally automated driving, the DRIVE PILOT[7] enables drivers to divert their attention from the road and carry out secondary activities – perhaps communicating with colleagues via In-Car-Office, by surfing the internet or watching a film.

7 The availability and use of the DRIVE PILOT functions on the motorway depend on the equipment, countries and applicable laws.

The DRIVE PILOT[8] is available in Germany since May 2022. The system allows conditionally automated driving (SAE Level 3) on motorways under certain circumstances.

At the end of 2023, the production version of the DRIVE PILOT was introduced in the US states of California and Nevada with a limited fleet of EQS Saloons. In early 2024 the first vehicles with DRIVE PILOT were delivered. The special EQS Saloon and S-Class models of model year 2024 will be available from participating authorised Mercedes-Benz dealers in California and Nevada. DRIVE PILOT can take over control of the vehicle in heavy traffic or in tailbacks on suitable motorway sections at up to 40 mph (up to 60 km/h in Germany).

The integrated approach played an important role in the market launch of the DRIVE PILOT in the USA (California and Nevada). The task was to support the paradigm shift in mobility in a responsible manner using the example of an SAE Level 3 system. Mercedes-Benz USA plans to provide its customers with specific information, advice and accompanying measures. Training measures for Sales and After-Sales will also be carried out and should be completed in 2024 at the latest.

In Germany, selected customers who had purchased a vehicle with DRIVE PILOT were invited to a special driving event on the test track in Immendingen to familiarise themselves with the system.

Fully automated parking and unparking

With pre-installation for the INTELLIGENT PARK PILOT[9], the Mercedes-Benz Group also offers customers of selected model series the prerequisite for parking in accordance with SAE Level 4. Together with the corresponding Mercedes me connect service[10], Automated Valet Parking, the world's first highly automated and fully automated parking system from Bosch and Mercedes-Benz approved by the authorities for series operation, can be used in the P6 multi-storey car park at Stuttgart airport. The aim is to gradually offer fully automated parking and unparking in more car parks.

Safety through redundant systems and responsible use of AI

Conditionally automated vehicle operation according to SAE Level 3 requires a system design that enables malfunctions to be safely managed. For this, numerous components must be duplicated.

Automated driving also requires the use of AI, particularly in the form of machine learning (ML). Among other things, the system helps to quickly and safely identify objects on and off the carriageway and correctly assess situations. In the case of safety-related functions – including control of the vehicle during automated driving – the Mercedes-Benz Group deliberately dispenses with algorithms that change the vehicle's behaviour while the vehicle is still in operation, for example through self-learning processes. Instead the focus is on supervised learning using previously collected data. Before the AI software is used in the "DRIVE PILOT", extensive release tests are therefore carried out to ensure that the AI used shows the intended behaviour in the real traffic environment.

↗ Data responsibility – Responsible use of artificial intelligence

8 The availability and use of the DRIVE PILOT functions on the motorway depend on the equipment, countries and applicable laws.

9 The use of the INTELLIGENT PARK PILOT is only possible if national laws permit Automated Valet Parking operation, car parks are equipped with the necessary infrastructure and the corresponding Mercedes me connect service is available and booked for the respective vehicle variant. Further information is available at: https://group.mercedes-benz.com/innovation/product-innovation/autonomous-driving/next-step-in-driverless-parking.html.

10 To use the Mercedes me connect services, the owner of the vehicle must create a Mercedes me ID and agree to the terms of use for the Mercedes me connect services.

Open dialogue

The Mercedes-Benz Group promotes open dialogue between business and consumer associations, politics, authorities, industry, science and civil society – because a broad social discussion is a prerequisite for the acceptance of automated driving. Since 2015, the Group has therefore used the Traffic Safety working group, which takes place as part of the annual "Sustainability Dialogue", to discuss ethical, legal and social issues in connection with automated driving.

↗ Sustainable corporate governance – Dialogue with stakeholders

The working group meeting at the last "Sustainability Dialogue 2023" on 22 November focused on the topic "Use of personal image data from road traffic for assistance and automation functions in vehicles as a contribution to road safety". In detail, the participants discussed the advantages of increased data use and improved recognition of vulnerable road users, but also the doubts and disadvantages. Proposals for possible solutions were developed on this basis, and a summary of the results was published.

Involvement in committees and associations

The Mercedes-Benz Group is a member of numerous international and national committees and associations. It is involved in establishing a reliable legal framework, technical standards and ethical guidelines for the use of the new technology. The following are some examples:

- The Mercedes-Benz Group is involved in an ongoing interdisciplinary discourse on legal and certification-related aspects as part of the VDA (German Association of the Automotive Industry) working group on Connected and automated driving.

- Since 2019, the Mercedes-Benz Group has been participating in the Verification and Validation Methods (VVM) research network for SAE Level 4 and 5 automated vehicles. This project, funded by the Federal Ministry of Economics and Climate Protection, aims to develop a system and methods for the safety verification of highly automated and fully automated driving functions and vehicles in urban areas. The results of the project were presented at a final event, which took place in Stuttgart in November 2023. Important results included the use of realistic test dummies with natural movements of arms and legs, test technology e.g. for bad weather performance or for the improved detection of lost loads from other vehicles, as well as a further developed, consistently scenario-based validation and verification methodology.

- Since 2019, the Mercedes-Benz Group has been involved in the creation of the ISO TC//241 WG6 standard via a VDA working group on the DIN Automotive Technology Standards Committee. The topic is the "Development of Recommendations on Ethical Considerations for Autonomous Vehicles". The purpose is to embed an ethical perspective in the development process for automated vehicle systems. The International Organisation for Standardisation (ISO) published the recommendations in July 2023.

- Since 2023, Mercedes-Benz has participated in the Automated Driving Round Table convened by the Federal Ministry of Digital and Transport in the field of "Safety and Risk" under the coordination of the Institute of Automatic Control at TU Braunschweig.

Corporate citizenship

Materiality and goals

GRI 3-3

Targets	Target horizon
Create a recognisable benefit for the common good at the own locations and for global society in general	Ongoing
Reinforce the positive public perception	Ongoing

Mobility has always moved people. It represents freedom, independence and economic growth. But mobility not only moves, it also connects people and cultures around the world – and thus contributes to a more open society.

The Mercedes-Benz Group as a corporate group is also part of society. The company can only be successful if it operates in an environment where people can realise their ideas of a good life. In particular, a high level of education and a high degree of economic and social stability are key prerequisites for this. That is why the Group together with its employees is committed to a sustainable and future-proof society.

Corporate citizenship

Strategy and concepts

Corporate citizenship commitment

GRI 3-3 GRI 203-1

The Mercedes-Benz Group is aware of its role in society and the associated social responsibility. Through various corporate citizenship initiatives and the cooperation with its stakeholders, it is committed “Around the globe”, “With the employees” and “For the locations”. In the reporting year, the Group further honed the areas of action of its global corporate citizenship strategy, which is currently being developed. It already serves as a guideline for the corporate citizenship activities of Mercedes-Benz Group AG. Firstly, the strategy focuses on initiatives committed to the environment – through decarbonisation or the preservation of biodiversity and natural ecosystems. Secondly, it supports initiatives that support community empowerment by contributing to improved living conditions and high-quality educational opportunities. The Group also continues to provide disaster relief in exceptional situations. The corporate citizenship strategy is to be rolled out to the subsidiaries and national companies in 2024.

In line with its sustainable business strategy, the Mercedes-Benz Group chooses to support projects and activities that are related to its core business as part of its social commitment. In addition, the Group encourages its employees to become involved in ecological and social projects, to help shape the social environment of the locations and to initiate and support aid projects worldwide.

Extensive commitment – from donations to corporate volunteering

GRI 2-23/-24 GRI 3-3

The Mercedes-Benz Group’s commitment to corporate citizenship includes donations to charitable organisations, sponsorship of ecological and social projects, the personal commitment of employees, projects initiated by the company itself, and foundations. The Donations and Sponsorship Committee of the Board of Management manages the Group’s donations and sponsorships.

Donations and sponsorships are selected throughout the Group in accordance with the criteria and standards set out in its donation and sponsorship policy. This policy was last updated in May 2021. It stipulates that all donations and sponsorships must comply with applicable national and international law, meet ethical requirements and be in line with the company's values. The allocation process is designed in a transparent manner for both non-cash and cash contributions – for example, all of the Group's donations and sponsorships worldwide are recorded in a central database.

The Mercedes-Benz Group observes the guideline for donations and sponsoring and is guided by the principles of the UN Global Compact (UNGC) when implementing donations, sponsorships, corporate volunteering and self-initiated projects. It also regularly informs employees about the applicable policies and sensitises employees to possible risks regarding donations and sponsorships.

Measures and results

Rating and evaluation of activities

GRI 3-3

Within its corporate citizen commitment, the Mercedes-Benz Group supports various global initiatives. In 2023, it supported around 1,300 projects (see Table: Effective social commitment).

Effective social commitment

	2023
Europe	**916**
North and Central America	**195**
South America	**21**
Asia	**71**
Australia/Pacific	**11**
Africa	**91**
Total	**1,305**

In the reporting year, the Mercedes-Benz Group donated around €47 million to charitable institutions and invested in sponsorships of social and environmental projects (see table: Donations and sponsorships by topic). This total does not include the Group's own foundation activities and projects initiated by the Group itself.

Donations and sponsorships by topic (in %)

	2023
Social affairs and community:	**63%**
Education	**26%**
Science and the environment	**8%**
Art and culture	**2%**
Political dialogue	**1%**
Total	**100%**

The Mercedes-Benz Group reviews the effectiveness of its social commitment in different ways: Among other things, it monitors the projects and is in regular contact with partners and funding recipients. Project status reports, annual reports and agreed-upon key figures enable the Group to determine the progress of the respective projects. In individual cases, it reviews and evaluates the project results and the effectiveness of the supported activities on site.

Around the world

The social commitment of the Mercedes-Benz Group extends across the entire globe. With its activities, the Group aims above all to improve the future prospects of coming generations – and sees education in particular as a central key to this.

Fellowship programme for young people

"beVisioneers – The Mercedes-Benz Fellowship" – under this name, the non-profit organisation The DO School Fellowships GmbH (The DO School) has designed a support programme that supports young people in implementing specific ideas for environmental protection and community empowerment. The long-term goal of the programme is to build a global network of people whose sustainability projects have a positive impact on the environment and society. In this way, "beVisioneers" reflects important elements of the corporate citizenship strategy of Mercedes-Benz.

In its search for talent, The DO School selected the first 102 participants from India, South Africa and several European countries in the reporting year. They now have the opportunity to realise their sustainable visions with financial and professional support over a period of twelve months. From May 2024, a second group of 500 participants from all EU countries, the UK, India, Kenya, Mexico, Switzerland, South Africa, South Korea, Uganda and the USA will be supported. The medium-term plan is to gradually expand the programme to even more regions and up to 1,000 participants per year.

Employees of the Group can also participate: as mentors. They acquire the necessary skills and sustainability knowledge through special training. They can also apply what they have learnt in a broader context, for example in other corporate citizenship projects within their own team or personal commitments.

The fellows will continue to receive support from their mentors and experts beyond the first year – in the realisation of their projects and in the development of leadership skills.

“beVisioneers” is implemented independently by The DO School. The funds for the programme come from the auction sale in 2022 of a Mercedes-Benz 300 SLR Uhlenhaut Coupé built in 1955. The vehicle was sold for €135 million. The majority of the proceeds from the auction will be used to secure programme funding through semi-annual donations to The DO School after the approval of board members.

Aid for Ukraine and the Middle East

In the reporting year, the Mercedes-Benz Group continued its support for people in and from Ukraine. Mercedes-Benz AG’s donations in cash and in kind for Ukraine aid totalled €2 million in the reporting year.

In close cooperation with local aid organisations, Mercedes-Benz AG has donated 14 Sprinters worth €1 million to SOS Children’s Villages and Caritas in 2023 to help mitigate the consequences of the war. The vehicles were used for the distribution of humanitarian aid. The company also donated €1 million for the trauma-informed pedagogy work of the SOS Children’s Villages.

In addition, Mercedes-Benz AG donated a total of €2 million to the Israeli aid organisation United Hatzalah and the German Red Cross (DRK) in the reporting year. The donations are used for humanitarian emergency aid in the Middle East.

Emergency aid for earthquake victims in Turkey and Syria

In February 2023 Mercedes-Benz AG donated €1 million to the German Red Cross (DRK) for people in Turkey and Syria who were victims of severe earthquakes.The donation was for the provision of emergency humanitarian aid in order to quickly supply the suffering population with the most basic necessities. The company also initiated an employee fundraising campaign. The company doubled the donations collected by employees of almost €100,000 to reach a total of €200,000. The local national companies, Mercedes-Benz Otomotiv Ticaret ve Hizmetler A.S. and Mercedes-Benz Finansman Türk A.S. (Türkiye), also donated 100 container houses for the people from the hard-hit Turkish cities of Hatay and Malatya.

Strengthening of human rights, prevention of child labour

Mercedes-Benz AG wants to go beyond compliance with the German Supply Chain Due Diligence Act (LkSG) in order to exert a positive influence in the sourcing regions of its production locations. Mercedes-Benz AG therefore supports social projects in the supply chain with a focus on preventing child labour. For this purpose, the company cooperates with two Non-governmental organizations (NGOs): Firstly with Bon Pasteur in the Democratic Republic of Congo – focussing on the cobalt mining region – and secondly with Terre des Hommes in India. The focus there is on the Mica mines in Jharkhand.

The aim of both cooperations is to present the people of the local mining communities with alternative income opportunities – for example in (sustainable) agriculture. The projects focus on creating educational opportunities and improved learning conditions. For example, community members are informed about their rights and, in particular, the rights of children. This is intended to strengthen respect for human rights in the local population as a whole. Furthermore, Terre des Homes supports local institutions and cooperates with the media in order to create awareness of child labour on a political level.

↗ Social compliance – Principles

Making children more aware of road safety
The Mercedes-Benz Group is committed to improving children's safety in road traffic as part of its international initiative "MobileKids". The project is aimed at both schoolchildren and adults as well as educational institutions and provides them with extensive information and learning material on the subject of road safety.

↗ Traffic safety – Initiatives for safety in road traffic

Replanting of mangroves – for the people and the environment
Many mangrove forests have suffered from overuse or have been destroyed in recent years. In response, Mercedes-Benz AG supports the project "Sustainable Aquaculture in Mangrove Ecosystems (SAIME)" of the "Global Nature Fund" for the protection and restoration of mangrove forests in South Asia (India, Bangladesh, Sri Lanka and the Maldives).

The aim of the project is to restore the forests, thereby contributing to climate protection and creating alternative income opportunities for the local population. Supporters of "SAIME" have already grown more than 645,000 mangrove seedlings in 45 tree nurseries – over 300,000 of them at 70 project sites in Bangladesh, India, Sri Lanka and the Maldives. The remaining seedlings were given to other regional reforestation projects. Measures to promote natural succession complement the planting and afforestation measures.

Worldwide foundation activities
With the foundations established by the Group, the Mercedes-Benz Group supports projects in the fields of science, research, technology and education all over the world.

The "Daimler and Benz Foundation" promotes interdisciplinary scientific dialogue and research projects. The foundation's scholarship programme supports outstanding young scientists from all disciplines. In the reporting period, twelve new scholarships were awarded, and a total of 40 post-doctoral researchers and junior professors were supported. In various formats, the foundation examines research topics relevant to the future and contributes to strengthening the visibility and public acceptance of science through lecture series.

It is also important to the Group to promote scientific research independently of economic interests. This is why there is the "Mercedes-Benz Fund", an unincorporated foundation in the Stifterverband – a joint initiative of companies and foundations that advises, networks and promotes holistically in the areas of education, science and innovation. The fund's supporting activities were reorganised in the reporting year: They now contribute to securing Germany's future viability, innovative strength and competitiveness by training and applying the necessary skills for a world in transformation. Since 1993, the "Mercedes-Benz Fund" has established 27 endowed professorships and junior professorships in Germany and abroad.

With the employees

Not only the Mercedes-Benz Group is showing social commitment, but also its employees: They volunteer for numerous social and ecological projects – for example as part of the "beVisioneers" support programme presented above.

Employees donate part of their monthly salary (ProCent)
One additional example of employee commitment is the "ProCent" initiative: It allows employees to donate the cent amounts of their monthly salary. The Mercedes-Benz Group doubles these amounts and collects them in a fund. Employees propose projects that are to receive money from this fund. The donation volume per individual project is between €250 and €60,000. Since the initiative was launched in December 2011, "ProCent" has sponsored a total of around 1950 projects with more than €13,5 million. 80,000 employees, around two thirds of the workforce in Germany, donated the cent amounts of their net salary.

ProCent support at a glance	
	2023
ProCent support priorities	
Child and youth welfare	**59%**
Charitable projects	**28%**
Disability assistance	**9%**
Animal welfare, environmental and nature conservation	**4%**
ProCent projects worldwide	
Europe	**31**
Germany	**1,651**
North/South America	**29**
Africa	**161**
Asia	**76**
Total	**1,948**

Employees dedicated to help children and young people

In 2023, Mercedes-Benz Mobility AG joined forces with SOS Children's Villages worldwide to work towards a better future for children and young people – not only by providing financial support for the digitisation of three SOS Children's Villages, but also through the commitment of its employees. They cooperated in the individual companies with nearby SOS Children's Villages on site. In Austria, for example, a targeted job coaching programme for young people was held at Mercedes-Benz Financial Services Austria GmbH in Eulendorf in October 2023. In addition, employees in Salzburg built raised beds for the garden of the local SOS Children's Village. Around 20 employees were involved in these two projects in 2023. In addition, 290 employees took part in the "Give a Smile" campaign at the Berlin, Saarbrücken and Stuttgart (Germany) location at the end of the year: They fulfilled the wishes of children and adolescents from the local SOS Children's Villages.

For the locations

GRI 413-1

The Mercedes-Benz Group also wants to strengthen the population in the vicinity of its worldwide locations beyond its own business activities. That is why it is involved in various initiatives and supports projects in the charitable sector.

The Stuttgart area is of particular importance as the Group's main location. In the reporting year, Mercedes-Benz AG decided to provide the region with a total of €24 million in additional funding through 2028. This goes beyond the existing commitment to the Stuttgart Training Campus and the Stuttgart International Bach Academy, for example. Derived from the global corporate citizenship strategy and local needs, the funding concept is intended to support projects in the areas of social, environmental and cultural affairs.

Mercedes-Benz AG is using the additional funds to support the participatory process "Mittendrin – Chancen für morgen gestalten" (In the thick of it – shaping opportunities for tomorrow) organised by the "Bürgerstiftung Stuttgart" (Stuttgart Civic Foundation). Under the headings "Participation of children and young people", "Integration" and "Ways out of poverty", a funding programme was developed in collaboration with other partners from civil society and the city of Stuttgart. A panel of experts selected 23 projects that will be supported for up to five years from 2024. In order to also promote civic engagement, the company will contribute financially to the planned construction of the Stuttgart House of Volunteering for five years from 2024. By 2028, it will provide a total of around €12.5 million for projects to promote opportunities for participation, thereby helping to promote community empowerment.

Mercedes-Benz AG also wants to make a relevant contribution to CO_2 storage, resource conservation and the preservation of biodiversity in the region. On the one hand, it is planned to gradually expand the rewetting of moorland in the Baden-Württemberg region. On the other hand, a networking centre is to be set up at the Wilhelmsdorf Nature Conservation Centre of the Pfrunger-Burgweiler Ried Nature Conservation Foundation so that moorland conservation activities can be coordinated and associated environmental goals can be achieved more effectively and quickly. The company will allocate €5 million for moorland protection in the region through 2028.

In addition, the company is currently working together with players in the regional art and cultural landscape to give talented people opportunities to experiment and grow. At the same time, Mercedes-Benz AG wants to build a bridge between the cultural heritage and innovative elements. The goal is to shape a diverse and dynamic cultural landscape. For this purpose, €6.5 million has been earmarked through 2028.

More sustainable urban mobility

Materiality and goals

GRI 3-3

Targets	Target horizon
Improve road safety for all road users in urban areas	Ongoing
Make the flow of traffic in cities more efficient and optimise resource and infrastructure requirements	Ongoing
Expand more sustainable mobility through the expansion of charging infrastructure and periodical use concepts for transport systems	Ongoing

The majority of the world's population already lives in towns and cities. This has consequences for the volume of traffic: a clever mobility mix, the further expansion of electric mobility and additional emission-free drive systems, as well as solutions for the more efficient transport of goods, are therefore more important than ever.

The aim of the Mercedes-Benz Group is to improve the quality of life in cities with more sustainable electrified vehicles, mobility and transport solutions. Electric mobility is a key lever here – but not the only one. A comprehensive electric mobility ecosystem of products, services, technologies and innovations is needed.

The Mercedes-Benz Group is facing up to these challenges and shaping the transport revolution of tomorrow with intelligent mobility solutions.

Mobility for liveable cities

Strategy and concepts

Urban mobility

GRI 3-3

The area of action "More sustainable urban mobility" is part of the Mercedes-Benz Group's sustainable business strategy and thus firmly integrated into its management system. For this area of action, the Group has set itself the goal of supporting neighbourhoods, cities and regions in the areas of "Safety", "Sustainability" and "Efficiency of mobility". The individual activities within this area of action are evaluated in conjunction with the respective targets of the business divisions responsible.

Mobility is context-based: the Mercedes-Benz Group believes that there is a suitable mobility solution for every situation. To make it possible to offer this, the Group wants to further develop and repackage existing products, while also developing new concepts. To this end, the Group exchanges information on a continual basis with cities, among other bodies, in order to better understand their mobility requirements.

Partnerships are essential for identifying and addressing new ideas and trends in the field of urban mobility at an early stage. This conviction was behind the Mercedes-Benz Group's establishment of a team to work specifically on Urban Mobility Solutions (UMS). Its specialists work closely with representatives of cities, partners from industry, experts from planning and research and other Mercedes-Benz business units. With the aim of scaling up promising urban mobility concepts on an industrial scale, the team was transferred to the Mercedes-Benz Group's line organisation during the reporting year.

↗ Trusted partner – Involvement in sustainability initiatives and associations

Three mobility requirements

With the aim of making mobility in cities safer, more efficient and more sustainable, the Mercedes-Benz Group is addressing the following mobility requirements:

In order to make urban traffic safer for all road users and to improve the flow of traffic, the Mercedes-Benz Group provides cities with extensive, anonymised vehicle data – with the consent of the vehicle owner. In this way, it aims to help those responsible for infrastructure and road safety to make data-based decisions.

↗ Mobility for liveable cities – Analytics for greater road safety and intact roads

The Group also wants to make more sustainable mobility a viable proposition by avoiding emissions and conserving resources. To this end, it is focussing on electrified vehicles and expansion of the necessary charging infrastructure.

↗ Mobility for liveable cities – Mobility services are an important pillar of the transport transformation

A further goal of the Mercedes-Benz Group is to make urban traffic less stressful and more sustainable for customers and other road users. It aims to contribute to the avoidance of traffic jams and to help optimise the search for parking spaces, but also to reduce the operating costs of the transport infrastructure. For example, the former unit of UMS now integrated into line function is working on new data products, including for the analysis of parking data. The products are intended to increase transparency and efficiency in public transport management.

↗ Mobility for liveable cities – Projects of the Urban Mobility Solutions unit

Investments

The Mercedes-Benz Group acts as an investor in the growing market for urban mobility services via Mercedes-Benz Mobility AG. For example, Mercedes-Benz Mobility AG and the BMW Group hold equal stakes in the joint ventures FREE NOW and CHARGE NOW. FREE NOW is active as a mobility platform, while CHARGE NOW operates in the field of electric vehicle charging. The energy company BP has been a third shareholder in CHARGE NOW since 2021.

Mobility services are an important pillar of the transport transformation

The FREE NOW and CHARGE NOW services can help to make mobility in the city more sustainable.

During the reporting period, FREE NOW completed a total of 34% more journeys with an electric vehicle in all markets than in the previous year; in the UK, the number of journeys has increased by 33% and in Germany by more than 100%. At the end of 2023, 46% of vehicles in use had either a battery electric (BEV) or a hybrid or plug-in hybrid drive system. In the first half of 2023, FREE NOW was also able to steadily increase the number of monthly journeys undertaken. In total, more than 11,200 BEV taxis and licensed BEV hire cars as well as more than 81,200 taxis and licensed hire cars with hybrid or plug-in hybrid drive systems drove for FREE NOW. In the area of multimodal mobility, the service worked with various partners to give drivers access to more than 230,000 e-scooters, e-bikes, e-mopeds and car-sharing vehicles via its own app. Users of the FREE NOW app also have access to vehicle rentals and certain urban public transport services.

Behind the CHARGE NOW brand with its charging solutions for car manufacturers, fleet operators and electric car drivers is Digital Charging Solutions GmbH. Among other things, this company provides the charging service for Mercedes me Charge. With more than 680,000 charging points in 31 national markets (Europe and Japan), it offers access to one of the largest European charging networks and, in addition, to the charging infrastructure of more than 1,200 operators. Digital Charging Solutions GmbH has set itself the goal of gradually integrating 100% green electricity into the charging offer in order to give all customers access to CO_2-free mobility. Just how quickly the company can achieve this goal will depend on the energy transition and the respective availability in the grid.

Measures and results

Projects of the Urban Mobility Solutions unit

GRI 3-3 GRI 203-1

With the aim of helping to improve the traffic situation in cities, the UMS unit implemented numerous projects in 2023.

Various e-mobility services from a single source
Mercedes-Benz USA, LLC in Southern California has been offering the EQS City Edition since April 2023: customers purchasing an EQS can, for example, charge the vehicle model for an unlimited number of 30-minute sessions on the Electrify America network for a period of two years. They also receive credit to install a charging facility at home and a voucher that allows them to use an e-scooter for a year. Mercedes-Benz USA, LLC also donates a fixed amount for each City Edition sold to the Californian branch of Safe Kids Worldwide – an organisation that campaigns for greater traffic safety for children, among other things.

Pilot Project: Real-time urban traffic information
Following the successful completion of various pilot projects in Amsterdam (Netherlands), Helsinki (Finland) and Stuttgart (Germany) the UMS unit kicked off the development of a series solution for receiving notifications while on the move in 2022. The project was continued in 2023. As part of this, UMS is planning to test the Mercedes-Benz Digital Co-Driver as an extended pilot project in Stuttgart at the beginning of 2024 and obtain customer feedback. The pilot will focus primarily on safety-relevant aspects in urban areas – such as school zones and other danger spots identified by Mercedes-Benz vehicles. Depending on the situation, the system will give different instructions, e.g. via the vehicle's navigation screen. An extension of the pilot project to other selected European cities is to be examined in 2024.

Analytics for greater road safety and intact roads
Since 2022, the Mercedes-Benz Group has been working on behalf of the Dutch Ministry of Infrastructure and Water Management to analyse the condition of roads and other transport infrastructure on the basis of vehicle data. The Road Monitor project, which runs until autumn 2024, covers the areas of "Winter management", "Road condition analysis" and "Road safety". All provinces of the Netherlands, with a road network of more than 130,000 km, are included. UMS contributes high-quality and easy-to-use information to the project in order to make mobility in Dutch cities and municipalities safer, more efficient and more sustainable for all road users. In a collaboration with other project partners, state-of-the-art analysis software is used to evaluate the data. In consideration of data protection, the data from the Car-to-X communication and other systems of the networked Mercedes-Benz vehicles are anonymised before the analysis – and only used if explicit consent is given.

From February 2023 to December 2024, Mercedes-Benz AG is supporting the Swedish Transport Administration "Trafikverket" in its efforts to improve the monitoring of road surfaces by collecting vehicle data. "Trafikverket" usually measures and assesses the condition of the road surface and traffic environment once a year. With the help of vehicles from the Mercedes-Benz customer fleet, which are networked via a cloud and equipped with sensors, the authority can now also record changes to the infrastructure, such as potholes, frost or winter damage, on a frequent basis and initiate the necessary repairs earlier than before. As part of the project, the continuous development of damage such as potholes, frost damage and other winter damage is being analysed. The data collected as part of the cooperation with Mercedes-Benz is completely anonymised and only sent by vehicles whose owners have expressly authorised the transfer in the "Mercedes me" App.

In North America, Mercedes-Benz took part in another pilot project from May to October 2023 with the aim of using anonymised vehicle data to improve the condition of the infrastructure and make it safer and more pleasant for all road users. This involved Mercedes-Benz USA, LLC providing the city of Boston with data from vehicles in the Mercedes-Benz customer fleet, which can be used to assess damage to the road surface across an urban road network that extends over more than 3,000 km. This data enables the city's transport authority to deepen its understanding of the infrastructure and analyse how damage to the road surface changes over time.

More efficient parking space utilisation thanks to digital register
Together with the city of Freiburg, the Mercedes-Benz Group used anonymised parking data from its vehicles and artificial intelligence (AI) to map all parking spaces along the city's streets, which were then transferred to a digital parking place directory. The AI-generated register was compared with data that was manually recorded and data collected during inspections of selected locations to ensure a high level of data accuracy. The aim was to provide the city with an up-to-date overview of the available urban parking space and to enable it to find reliable answers to neighbourhood-specific questions. This would have been a far more involved process with purely manual surveys. The Mercedes-Benz Group is planning to expand the project to other cities in 2024 as part of a series test.

Digital modelling of infrastructure measures
The DZwEI research project, coordinated by the Frankfurt University of Applied Sciences and with participation from the Mercedes-Benz Group, was launched in October 2023. The aim of the project is to develop a digital twin for real-time analyses of infrastructure changes in urban areas. Data sources such as anonymised vehicle data from the Mercedes-Benz customer fleet will be used to analyse the impact of infrastructure measures on traffic, emissions, parking search traffic and many other areas. The project will run until September 2025.

Mobility concept for Stuttgart Hospital
In 2022, the Urban Mobility Solutions team had already carried out a mobility analysis for Stuttgart Hospital. In the reporting year, it intensified its collaboration to develop a concept for electric mobility that focussed on charging infrastructure: Urban Mobility Solutions has drawn up a prediction for the necessary installation of charging points in the hospital's underground car parks by 2040, and also advised on installation and use. The team concluded that the hospital can make a major contribution to the successful electrification of inner-city traffic thanks to its many parking spaces in the centre of Stuttgart.

Mobility issues in stakeholder dialogue
Under the motto "Future roads. Future cars. Future partnerships. Coming together to create balance", UMS organised the international "Mercedes-Benz Inspiration Day" at the Sindelfingen (Germany) location in June 2023. Around 80 representatives from cities and regions, public authorities, start-ups and research institutes as well as the Mercedes-Benz Group met there to discuss the promotion of public-private cooperation. The participants also debated mobility issues in urban areas and beyond. The talks also laid the foundations for future collaborations.

More sustainable delivery traffic in cities

The SUSTAINEER from Mercedes-Benz Vans shows what more sustainable delivery traffic in cities could look like in the future. This technology demonstrater based on the Mercedes-Benz eSprinter combines a variety of innovative solutions to improve the quality of life in cities, protect the climate and the environment, and increase the safety and well-being of drivers and other road users. In practice, this primarily involves the quiet and efficient delivery of goods and parcels. Among other things, the Mercedes-Benz SUSTAINEER features a low-noise electric drive, low rolling resistance tyres and digital outside mirrors. The SUSTAINEER is also equipped with intelligent software and communication solutions that allow efficient route planning in real time. This not only reduces the number of kilometres driven, but also energy consumption. The SUSTAINEER is constantly being enhanced to include new ideas and sustainability-related solutions, while it is also used by the Mercedes-Benz Vans division to test these.

↗ Climate protection in vehicles and services – Electrified product range at Mercedes-Benz Vans

Key Figures

Environment

Electrified vehicles Mercedes-Benz Cars

	2023	2022
Worldwide		
Electrified vehicles (xEV)	**401,943**	333,490
Plug-in Hybrid Electric Vehicle (PHEV)	**161,275**	184,263
Battery-electric vehicles (BEV)	**240,668**	149,227
MBC unit sales (total)[1]	**2,044,051**	**2,040,719**
Europe[2]		
Electrified vehicles (xEV)	**254,038**	236,678
Plug-in Hybrid Electric Vehicle (PHEV)	**134,230**	142,022
Battery-electric vehicles (BEV)	**119,808**	94,656
MBC unit sales (total)[1]	**658,604**	**618,904**

1 Group sales Mercedes-Benz Cars (incl. smart).
2 European Union, United Kingdom, Switzerland and Norway.

Electrified vehicles Mercedes-Benz Vans

	2023	2022
Worldwide		
Electrified vehicles (xEV)	**22,666**	15,003
MBV unit sales (total)[1]	**447,790**	**415,344**
Europe[2]		
Electrified vehicles (xEV)	**22,280**	14,847
MBV unit sales (total)[1]	**279,408**	**259,436**

1 Group sales Mercedes-Benz Vans.
2 European Union, United Kingdom, Switzerland and Norway.

CO_2 emissions Scope 1, Scope 2 and selected Scope 3 categories worldwide for Mercedes-Benz Cars

GRI 305-1/-2/-3

	2023[1,10]		2022[10]		2021[10]	
Activities (Scope 3 category as per GHG Protocol)	**specific** CO_2 in t/car	**absolute** CO_2 in million t	**specific** CO_2 in t/car	**absolute** CO_2 in million t	**specific** CO_2 in t/car	**absolute** CO_2 in million t
Purchased goods (3.1)[2]	**9.0**	**18.0**	8.7	17.7	8.4	17
Logistics[3]	**1.0**	**2.0**	1.1	2.2	1.1	2.2
Upstream logistics (3.4)	**0.35**	**0.7**	–	–	–	–
Downstream logistics (3.9)	**0.65**	**1.3**	–	–	–	–
Waste (3.5)[4]	**0.1**	**0.2**	–	–	–	–
Business travel (3.6)[5]	**0.03**	**0.07**	0.028	0.057	0.009	0.019
Employee traffic (3.7)[6]	**0.05**	**0.11**	0.052	0.107	0.053	0.107
Use phase of our products – well-to-tank (3.11)[7]	**6.6**	**13.1**	6.6	13.6	6.3	12.7
Use phase of our products – tank-to-wheel (3.11)[8]	**29.1**	**58.2**	30.7	62.7	32.2	65.5
Dismantling and treatment process (3.12)[9]	**0.4**	**0.8**	0.4	0.8	0.4	0.8
Scope 1, 2						
Manufacture	**0.3**	**0.4**	0.3	0.4	0.7	0.7
Total	**46.5**	**93.0**	**47.9**	**97.8**	**49.1**	**99.2**

1 The key figures were subjected to an audit in order to achieve "limited assurance". The Scope 3 categories listed in the table were audited as per the GHG Protocol. The categories capital goods (3.2), rented or leased assets (3.8), let or leased-out assets (3.13), franchise business (3.14) and investments (3.15) are not reported due to insufficient data availability.
The categories fuel-related and energy-related activities (3.3) and processing of sold products (3.10) are included in part in category 3.1, but cannot be shown separately due to the accounting method based on product lifecycle assessments. Figures are rounded.

2 The CO_2 emissions of the purchased goods pertain to the emissions of the upstream chain of all passenger cars sold (retail) in the reporting year. They are calculated by means of internal lifecycle assessments audited as per ISO 14040/44 and scaled by vehicle weights. The basis of the data is the respective lifecycle assessment database used in the 360° Environmental Checks: Mercedes-Benz models with 360° Environmental Check. | Mercedes-Benz Group > Responsibility > Sustainability > Climate & Environment > Environmental Check).

3 Standard and approach for accounting of the Scope 3 emissions for the upstream and downstream logistics are prescribed by the GHG Protocol. The calculation of the CO_2 emissions of transport services uses the distance-based method and is in consideration of the standards GLEC Framework V2.0, DIN EN 16258 and CleanCargo. Forecast figures.

4 The CO_2 emissions from the disposal and recycling of the Group-wide quantities of waste are calculated by means of generic emission factors for the different kinds of waste treatment. The resulting scrap for recycling is excluded and taken into account in category 3.1.

5 The determination of the Scope 3 emissions for the category business travel is based on booking data received by the Global Travel Management (BCD) of Mercedes-Benz Cars in the reporting year. The kilometres travelled are multiplied by the relevant emission factors for each means of transport. The emission factors for rental cars are based on data from rental car companies, for air travel on the GHG Protocol 2015 depending on length of flight and class, and for train travel on the country-specific worst-case emission factors of the respective railway companies.

6 The Scope 3 emissions for the category employee traffic are calculated based on the number of employees, the average attendance and the emission contribution of the modes of transport used. The following breakdown of the modes of transport was assumed for the European sites: 70% car, 12% public transport and 18% other modes of transport; the breakdown for non-European sites: 90% car, 5% public transport and 5% other.

7 The shown well-to-tank emissions are based on the electricity/fuel production paths of the respective markets. The absolute CO_2 contribution of the charging electricity amounts of all vehicles is determined by means of CO_2 emission factors for the market-specific power generation. The contribution of Green Charging to CO_2 reduction by the new vehicle fleet of Mercedes-Benz Cars is determined using a combination of different market-specific approaches. The contribution of Green Charging to CO_2 reduction in 2023 is 0.12 t CO_2/vehicle.

8 The calculation of CO_2 emissions is based on the weighted average of CO_2 fleet values, taking into account the currently applicable driving cycles in the respective markets, and includes all vehicles with an assumed mileage of 200,000 km.

9 The end-of-life model incorporated into the lifecycle assessment of a car comprises the dismantling, the shredding process and the downstream treatment of the shredder light fraction. The CO_2 emissions from the power consumption of the shredder and the recycling of the shredder light fraction are taken into account in the Scope 3 category disposal of sold products. No credit notes are issued (cut-off approach) for the created material fractions (e.g. steel, aluminium).

10 Absolute Scope 3 emissions pertain to retail sales (2021: 2,032,663; 2022: 2,041,705; 2023: 2,002,734). Absolute Scope 1 and 2 emissions pertain to vehicles produced at fully consolidated sites, excl. other makes (2021: 1,132,213; 2022: 1,261,106; 2023: 1,306,966; unverified).

CO_2 emissions Scope 1, Scope 2 and selected Scope 3 categories worldwide for Mercedes-Benz Vans

GRI 305-1/-2/-3

	2023[1,10]		2022[10]		2021[10]	
Activities (Scope 3 category as per GHG Protocol)	**specific** CO_2 in t/van	**absolute** CO_2 in million t	**specific** CO_2 in t/van	**absolute** CO_2 in million t	**specific** CO_2 in t/van	**absolute** CO_2 in million t
Purchased goods (3.1)[2]	**8.5**	**3.8**	8.7	3.6	8.6	3.4
Logistics[3]	**0.88**	**0.39**	0.9	0.4	0.9	0.4
Upstream logistics (3.4)	**0.49**	**0.22**	-	-	-	-
Downstream logistics (3.9)	**0.38**	**0.17**	-	-	-	-
Waste (3.5)[4]	**0.07**	**0.03**	–	–	–	-
Business travel (3.6)[5]	**0.008**	**0.004**	0.008	0.003	0.007	0.003
Employee traffic (3.7)[6]	**0.036**	**0.016**	0.038	0.016	0.039	0.015
Use phase of our products – well-to-tank (3.11)[7]	**4.6**	**2.1**	4.7	2.0	4.9	1.9
Use phase of our products – tank-to-wheel (3.11)[8]	**45.9**	**20.5**	47.5	19.7	47.8	18.9
Dismantling and treatment process (3.12)[9]	**0.5**	**0.2**	0.5	0.2	0.5	0.2
Scope 1, 2						
Manufacture	**0.3**	**0.1**	0.3	0.1	0.5	0.2
Total	**60.8**	**27.2**	**62.7**	**26.0**	**63.3**	**25.0**

1 The key figures were subjected to an audit in order to achieve "limited assurance". The Scope 3 categories listed in the table were audited as per the GHG Protocol. The categories capital goods (3.2), rented or leased assets (3.8), let or leased-out assets (3.13), franchise business (3.14) and investments (3.15) are not reported due to insufficient data availability.
The categories fuel-related and energy-related activities (3.3) and processing of sold products (3.10) are included in part in category 3.1, but cannot be shown separately due to the accounting method based on product lifecycle assessments. Figures are rounded.

2 The CO_2 emissions of the purchased goods pertain to the emissions of the upstream chain of all vans sold (retail) in the reporting year. They are calculated by means of internal lifecycle assessments and scaled by vehicle weight.

3 Standard and approach for accounting of the Scope 3 emissions for the upstream and downstream logistics are prescribed by the GHG Protocol. The calculation of the CO_2 emissions of transport services uses the distance-based method and is in consideration of the standards GLEC Framework V2.0, DIN EN 16258 and CleanCargo. Forecast figures.

4 The CO_2 emissions from the disposal and recycling of the Group-wide quantities of waste are calculated by means of generic emission factors for the different kinds of waste treatment. The resulting scrap for recycling is excluded and taken into account in category 3.1.

5 The determination of the Scope 3 emissions for the category business travel is based on booking data received by the Global Travel Management (BCD) of Mercedes-Benz Cars in the reporting year. The kilometres travelled are multiplied by the relevant emission factors for each means of transport. The emission factors for rental cars are based on data from rental car companies, for air travel on the GHG Protocol 2015 depending on length of flight and class, and for train travel on the country-specific worst-case emission factors of the respective railway companies.

6 The Scope 3 emissions for the category employee traffic are calculated based on the number of employees, the average attendance and the emission contribution of the modes of transport used. The following breakdown of the modes of transport was assumed for the European sites: 70% car, 12% public transport and 18% other modes of transport; the breakdown for non-European sites: 90% car, 5% public transport and 5% other.

7 The shown well-to-tank emissions are based on the electricity/fuel production paths of the respective markets. The absolute CO_2 contribution of the charging electricity amounts of all vehicles is determined by means of CO_2 emission factors for the market-specific power generation. The contribution of Green Charging to CO_2 reduction by the new vehicle fleet of Mercedes-Benz Vans is determined using a combination of different market-specific approaches. The contribution of Green Charging to CO_2 reduction in 2023 is 0.03 t CO_2/vehicle.

8 The calculation of CO_2 emissions is based on the weighted average of CO_2 fleet values, taking into account the currently applicable driving cycles in the respective markets, and includes all vehicles with an assumed mileage of 200,000 km.

9 The end-of-life model incorporated into the lifecycle assessment of a car comprises the dismantling, the shredding process and the downstream treatment of the shredder light fraction. The CO_2 emissions from the power consumption of the shredder and the recycling of the shredder light fraction are taken into account in the Scope 3 category disposal of sold products. No credit notes are issued (cut-off approach) for the created material fractions (e.g. steel, aluminium).

10 Absolute Scope 3 emissions pertain to retail sales (2021: 394,978; 2022: 415,335; 2023: 447,793). Absolute Scope 1 and 2 emissions pertain to vehicles produced at fully consolidated sites, excl. other makes (2021: 336,847; 2022: 360,874; 2023: 397,996; unverified).

Development of the average CO_2 emissions of the Mercedes-Benz passenger car fleet in Europe (in g/km)

GRI 302-5

	2023[6]	2022[6]	2021[6]	2020	2015	2010	2005	2000
CO_2 emissions	**109**[1,2,5]	115[1,5]	114[3,5]	104[6]	123[4,6]	158[6]	178[6]	204[6]

1 Internal value.
2 Incl. vehicles of the joint venture smart Automobile Co., Ltd.
3 Subsequent adjustment based on final EU data.
4 Till 2015 excluding vans registered as M1 vehicles.
5 Calculation as per WLTP (excl. UK).
6 Calculation as per NEDC (incl. UK).

Development of the CO_2 emissions of the Mercedes-Benz van fleet in Europe on average (in g/km)

GRI 302-5

	2023	2022	2021	2020	2015	2013
CO_2 emissions	**204**[1,2]	209[1,2]	216[2,3]	184[4]	193[4]	206[4]

1 Internal value.
2 Calculation as per WLTP (excl. UK) .
3 Subsequent adjustment based on final EU data.
4 Calculation as per NEDC (incl. UK).

Mercedes-Benz GHG figures for passenger cars, light-duty trucks and medium-duty vehicles USA (in g CO_2/mi)

	2023	2022	2021	2020	2019
Passenger cars	**170**[1]	241[2]	254	260	263
Light-duty trucks	**259**[1]	296[2]	300	301	310
Medium-duty vehicles	**436**[1]	471	525	483	485

1 Internal value.
2 Subsequent adjustment based on final USA data.

Mercedes-Benz fleet consumption passenger cars in China (in l/100 km)

GRI 302-5

	2023	2022	2021	2020	2020	2018
Fleet consumption	**8.46**[1,2,3]	8.17[2,3]	8.08[2,3]	7.77[2,4]	8.07[4]	7.65[4]

1 Internal value.
2 Value with off-cycle technologies.
3 Fuel consumption measured according to WLTP.
4 Fuel consumption measured according to NEDC.

CO_2 emissions from energy consumption (in 1,000 t)

GRI 305-1/-2

	2023[3]	2022	2021[2]
Scope 1: direct CO_2 emissions	**538**	569	681
– Fuels	**85**		
– Heating oil	**20**		
– Liquefied petroleum gas	**8**		
– Natural gas	**424**		
Scope 2: indirect CO_2 emissions – **market-based**	**83**	94	466
– Hydrogen	**5**		
– District heating	**78**		
– Electricity	**0**		
Scope 2: indirect CO_2 emissions – **location-based**	**933**	1,121	1,123
Total – market-based[1]	**621**	**663**	**1,148**
Thereof total in production	**511**	539	947
Total – location-based[1]	**1,471**	**1,690**	**1,805**
Thereof total in production	**1,278**	1,445	1,542

Further information on greenhouse gas accounting	
Biogenic emissions – Scope 1	**5**
Biogenic emissions – Scope 2	**2**
Other greenhouse gases (unit: CO_2e)[4]	**5**
CO_2 compensation for unavoidable emissions	**626**

1 The market-based and the location-based methods have been implemented as per GHG Protocol Scope 2 Guidance since 2016. The market-based approach has been the standard accounting method ever since.
2 Due to the spin-off and demerger of the Daimler commercial vehicle business as an independent company, the data has been adjusted, but still contains some minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the 2022 business year.
3 The key figures were audited in order to obtain “limited assurance”.
4 Significant non-CO_2 greenhouse gases such as CH_4, N_2O and refrigerants (scope 1).

Specific CO_2 emissions in production (in kg/vehicle)[1]

	2023	2022	2021	2020	2019	2018
Cars						
CO_2 direct (Scope 1)	**228**	258	349	326	279	267
CO_2 indirect (Scope 2) – market-based[2]	**51**	57	306	426	431	562
Total – Scope 1 & 2	**279**	**316**	**655**	**752**	**711**	**829**
Vans						
CO_2 direct (Scope 1)	**250**	269	353	333	346	355
CO_2 indirect (Scope 2) – market-based[2]	**9**	9	141	147	160	196
Total – Scope 1 & 2	**259**	**279**	**493**	**479**	**506**	**551**

1 Excl. CO_2 from fuels.
2 The market-based and the location-based methods have been implemented as per GHG Protocol Scope 2 Guidance since 2016. The market-based approach has been the standard accounting method ever since.

Specific solvent emissions (VOC) (in kg/vehicle)

	2023	2022	2021	2020	2019
Cars	**1.97**	2.10	2.09	1.77	1.47
Vans	**2.62**	3.86	4.16	3.37	3.98

Air emissions in production (in tonnes)

GRI 305-7

	2023	2022	2021[1]
Solvents (VOC)	**3,642**	4,036	3,780
Sulphur dioxide (SO_2)	**20**	20	13
Carbon monoxide (CO)	**892**	1,121	1,269
Nitrogen oxides (NO_x)	**435**	455	625
Dust (total)	**122**	108	149

1 Due to the spin-off and demerger of the Daimler commercial vehicle business as an independent company, the data has been adjusted, but still contains some minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the 2022 business year.

Workshop disposal with MeRSy (in t)

Waste by waste type	**2023**	2022	2021	2020	2019
Uninstalled vehicle parts	**22,500**	24,600	23,700	23,100	21,900
Liquids	**2,100**	2,800	2,200	2,200	2,100
Packaging	**4,500**	5,000	5,500	5,600	6,100
Total	**29,100**	**32,400**	**31,400**	**30,900**	**30,100**

Specific energy consumption in production (in MWh/vehicle)[1]

GRI 302-3

	2023[5]	**2022**	**2021**	**2020**	**2019**
Cars[2]	**2.97**	3.36	4.09	3.72	3.22
hereof aggregate plants[3]	**1.17**	1.31	1.59	–	–
hereof car plants[4]	**1.80**	2.06	2.28	–	–
Vans	**2.26**	2.47	2.90	2.77	2.84

1 Incl. electricity, natural gas, district heating, heating oil and liquefied petroleum gas.
2 Separate reporting for aggregate plants as well as car plants from 2021.
3 Production of vehicle components.
4 Final assembly of vehicles.
5 The key figures were audited in order to obtain "limited assurance".

Energy consumption (in GWh)

GRI 302-1

	2023[3]	2022	2021[2]
Electrical power	**2,340**	2,481	2,492
Natural gas	**2,331**	2,531[4]	3,101[4]
Biogas	**29**		
District heating	**567**	597	733
Heating oil	**78**	78	39
Liquefied petroleum gas	**38**	37	52
Hydrogen	**15**	0	–
Fuels[1]	**331**	363	370
Total	**5,729**	**6,087**	**6,786**
thereof total in production	**4,943**	5,294	5,741

1 Since 2017, in addition to the fuel used in test beds and emergency power generators, the fuel used in company vehicles is also carried on the balance sheet.
2 Due to the spin-off and demerger of the Daimler commercial vehicle business as an independent company, the data has been adjusted, but still contains some minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the 2022 business year.
3 The key figures were audited in order to obtain "limited assurance".
4 Biogas was reported within natural gas until 2022.

Specific water consumption in production (in m³/vehicle)

Mercedes-Benz calculation

	2023[1]	2022	2021	2020	2019
Cars	**4.03**	4.36	4.87	4.65	4.06
Vans	**3.32**	3.53	4.09	4.15	3.7

Calculation in accordance with GRI/CDP

	2023[1]
Cars	**1.15**
Vans	**0.91**

1 The key figures were audited in order to obtain "limited assurance".

Water withdrawal (in 1,000 m³)

GRI 303-3

	2023[2]	2022	2021[1]
External procurement (potable water)	**5,116**	5,111	5,128
Well water (own wells)	**2,106**	2,053	2,133
Surface water	**144**	110	152
Utilised rainwater	**16**	21	42
Total	**7,382**	**7,295**	**7,454**
thereof total in production	**6,738**	6,776	6,890

1 Due to the spin-off and demerger of the Daimler commercial vehicle business as an independent company, the data has been adjusted, but still contains some minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the 2022 business year.
2 The key figures were audited in order to obtain "limited assurance".

Wastewater volume (in 1,000 m³)

GRI 303-4

	2023	2022	2021
Direct discharge	**340**	226	259
Indirect discharge	**4,938**	4,655	4,756
Total	**5,278**	**4,881**	**5,015**

Wastewater direct discharges

GRI 303-4

	2023	2022	2021
Chemical oxygen demand (COD) (in t)	**6**	7	9
Zinc (Zn) (in kg)	**2**	0	2
Nickel (Ni) (in kg)	**44**	24	19
Total chrome (Cr) (in kg)	**0**	0	0

Waste by waste type (in 1,000 t)

GRI 306-3/-4/-5

	2023[2]	2022	2021[1]
Non-hazardous waste for disposal	**3**	5	7
Non-hazardous waste for recycling[3]	**145**	135	151
Scrap for recycling	**403**	427	433
Hazardous waste for disposal	**6**	8	8
Hazardous waste for recycling[3]	**48**	47	51
Total	**605**	**622**	**651**
thereof total in production	**565**	584	610

1 Due to the spin-off and demerger of the Daimler commercial vehicle business as an independent company, the data has been adjusted, but still contains some minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the 2022 business year.
2 The key figures were audited in order to obtain "limited assurance".
3 Incl. energy recycling.

Specific waste in production (in kg/vehicle)

GRI 306-3

	2023[1]	2022	2021	2020	2019
Waste (Cars)					
Non-hazardous waste for disposal	**1.5**	2.0	3.1	6.0	11.6
Non-hazardous waste for recycling (excluding scrap)	**83.2**	86.2	112.5	87.2	75.4
Scrap for recycling	**285.2**	315.5	357.0	377.2	346.1
Hazardous waste for disposal	**2.0**	4.0	3.5	4.9	2.1
Hazardous waste for recycling	**29.3**	30.9	37.8	35.0	32.0
Total production waste (Cars)	**401.2**	**438.7**	**513.9**	**510.2**	**467.2**
thereof total waste for disposal (Cars)	**3.5**	6.0	6.7	10.8	13.7
Waste (Vans)					
Non-hazardous waste for disposal	**1.7**	3.1	4.5	5.3	7.0
Non-hazardous waste for recycling (excluding scrap)	**55.2**	39.1	30.1	33.6	41.0
Scrap for recycling	**27.3**	26.3	27.9	33.8	39.7
Hazardous waste for disposal	**7.4**	8.3	11.0	10.7	11.5
Hazardous waste for recycling	**11.8**	12.3	12.2	12.2	12.3
Total production waste (Vans)	**103.3**	**89.2**	**85.8**	**95.8**	**111.5**
thereof total waste for disposal (Vans)	**9.1**	11.4	15.6	16.1	18.5

1 The key figures were audited in order to obtain "limited assurance".

Surface areas

	2023	2022	2021
Factory premises (in km²)	**33**	28	28
Degree of soil sealing (in %)	**60**	61	60

Production figures (in units)[1]

	2023[2]	2022	2021	2020	2019
Cars	**1,306,966**	1,261,106	1,132,213	1,230,733	1,593,476
Vans	**397,996**	360,874	336,847	323,907	369,191

1 Only of fully consolidated locations, excl. other makes.
2 The key figures were audited in order to obtain "limited assurance".

People

Workforce[1]

GRI 2-7

	2023	2022[2]	2021[2]
Europe	**137,109**	139,973	144,139
NAFTA	**14,468**	13,886	13,194
Latin America	**2,052**	2,195	2,286
Africa	**3,160**	3,159	4,019
Asia	**8,766**	9,072	8,313
Australia/Oceania	**496**	512	474
Total	**166,051**	**168,797**	**172,425**

1 Active workforce as at 31 December 2023 (employees without holiday workers, thesis writers, interns, working students, PhD students, senior experts and trainees) of Mercedes-Benz Group.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Workforce by division[1]

	2023	2022[2]	2021[2]
Workforce Mercedes-Benz Cars	**132,558**	135,388	138,906
Workforce Mercedes-Benz Mobility	**9,768**	9,850	9,531
Workforce Mercedes-Benz Vans	**19,132**	19,137	19,322
Workforce central functions and services	**4,593**	4,422	4,666

1 Active workforce as at 31 December 2023 (employees without holiday workers, thesis writers, interns, working students, PhD students, senior experts and trainees) of Mercedes-Benz Group.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Workforce by employee groups[1]

GRI 2-7/-8

	2023	2022[2]	2021[2]
Direct functions (production employees)	**65,181**	67,331	67,430
Indirect functions (administrative & production-related employees)	**100,870**	101,466	104,995
Trainees	**4,311**	4,467	4,817
Interns/thesis writers/ PhD students/working students/ senior experts	**4,885**	4,728	4,223
Holiday workers	**5**	18	19

1 Employee groups of Mercedes-Benz Group as at 31 December 2023.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Average number of employees by employment contract type[1]

GRI 2-7

	2023	2022[2]	2021[2, 3]
Full-time	**95,875**	96,365	117,703
thereof men	**83,250**	84,260	103,597
thereof women	**12,625**	12,106	14,107
Part-time	**9,297**	9,597	11,675
thereof men	**3,281**	3,544	4,506
thereof women	**6,016**	6,054	7,169
Total	**105,172**	**105,963**	**129,378**

1 Active workforce (employees without holiday workers, thesis writers, interns, working students, PhD students, senior experts and trainees) of Mercedes-Benz Group, Mercedes-Benz Group AG, Mercedes-Benz AG, Mercedes-Benz Mobility AG and Mercedes-Benz Bank AG.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.
3 As these are average figures, Daimler Trucks & Buses is included in Q1-Q3 2021.

Fluctuation rate (in %)[1]

GRI 401-1

	2023	2022[2]	2021[2, 3]
Europe	**5.7**	6.1	7.5
of which Germany	**5.4**	5.6	7.2
NAFTA	**13.2**	17.7	13.9
Asia	**7.1**	10.2	11.0
Rest of world	**8.4**	6.9	9.1
Total	**6.5**	**7.3**	**8.7**

1 Regular workforce (permanent employees) of Mercedes-Benz Group.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.
3 As these are average figures, Daimler Trucks & Buses is included in Q1-Q3 2021.

Fluctuation rate of female employees (in %)[1]

GRI 401-1

	2023	2022[2]	2021[2, 3]
Europe	**5.2**	5.7	8.3
of which Germany	**4.7**	4.6	7.9
NAFTA	**16.9**	19.9	13.3
Asia	**6.7**	9.0	12.7
Rest of world	**7.3**	7.7	7.8
Total	**6.8**	**7.6**	**9.4**

1 Regular workforce (female permanent employees) of Mercedes-Benz Group.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.
3 As these are average figures, Daimler Trucks & Buses is included in Q1-Q3 2021.

Employees entitled to parental leave and employees on parental leave

GRI 401-3

	2023	2022[4]	2021[4]
Employees entitled to parental leave[1]	**104,679**	**105,369**	**106,699**
thereof men	**85,900**	87,128	88,605
thereof women	**18,779**	18,241	18,094
Employees on parental leave[1, 2]	**3,752**	**4,089**	**4,017**
thereof men	**2,878**	3,017	2,922
thereof women	**874**	1,072	1,095
Proportion in %[3]			
thereof men	**3.4**	3.5	3.3
thereof women	**4.7**	5.9	6.1

1 Active workforce (employees without holiday workers, thesis writers, interns, working students, PhD students, senior experts and trainees) of Mercedes-Benz Group, Mercedes-Benz Group AG, Mercedes-Benz AG, Mercedes-Benz Mobility AG and Mercedes-Benz Bank AG.
2 Return rate 99.9%.
3 Percentage of employees entitled to parental leave who have taken parental leave.
4 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data has been adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Other personnel key figures

	2023	2022	2021[3]
Employees with limited contracts[1]	**6,117**	6,705	6,630
Part-time quota[2] as at 31 December 2023 (in %)	**8.8**	9.1	9.1
Personnel costs in €billion	**16.63**	16.50	22.89

1 Mercedes Benz Group.
2 Mercedes-Benz Group AG, Mercedes-Benz AG, Mercedes-Benz Mobility AG and Mercedes-Benz Bank AG.
3 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

External permanent hires[1]

GRI 401-1

	2023	2022[2]	2021[2, 3]
Europe	**4,373**	5,085	4,496
thereof Germany	**3,158**	3,245	2,165
NAFTA	**1,990**	3,794	7,827
thereof USA	**1,847**	3,647	4,639
Asia	**974**	1,106	1,329
thereof China	**623**	732	461
Rest of world	**188**	328	626
Total	**7,525**	**10,313**	**14,278**

1 External entries to the regular workforce (permanent employees) of Mercedes-Benz Group.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.
3 Up to and including November incl. Daimler Trucks & Buses.

Female external permanent hires[1]

GRI 401-1

	2023	2022[2]	2021[2, 3]
Europe	**1,374**	1,549	1,159
thereof Germany	**962**	916	325
NAFTA	**806**	1,467	1,741
thereof USA	**750**	1,408	1,288
Asia	**353**	417	317
thereof China	**200**	259	159
Rest of world	**76**	113	145
Total	**2,609**	**3,546**	**3,362**

1 External entries to the regular workforce (female permanent employees) of Mercedes-Benz Group.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.
3 Up to and including November incl. Daimler Trucks & Buses.

Female workforce[1] (in %)

GRI 405-1 GRI 2-9

	2023	2022[3]	2021[3]
Proportion of women	**22.2**	21.7	21.1
Proportion of women in senior management positions, Level 1 to 3[2]	**25.7**	24.7	22.5
Proportion of women in the Board of Management	**37.5**	37.5	37.5
Proportion of women in the Supervisory Board	**30.0**	35.0	30.0

1 Active female workforce of Mercedes-Benz Group (employees without holiday workers, thesis writers, interns, working students, PhD students, senior experts and trainees).
2 Headcounts, fully consolidated companies.
3 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Female workforce[1]

GRI 405-1

	2023	2022[2]	2021[2]
Europe	**28,059**	28,093	28,379
NAFTA	**4,125**	3,992	3,353
Latin America	**237**	256	278
Africa	**1,145**	1,090	1,382
Asia	**3,004**	2,920	2,719
Australia	**213**	224	206
Total	**36,783**	**36,575**	**36,317**

1 Active workforce as at 31 December 2023 (female employees without holiday workers, thesis writers, interns, working students, PhD students, senior experts and trainees) of Mercedes-Benz Group.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Female workforce by groups[1]

GRI 405-1

	2023	2022[2]	2021[2]
Direct functions (production employees)	**8,045**	8,091	7,528
Indirect functions (administrative & production-related employees)	**28,738**	28,484	28,789
Trainees	**825**	919	1,042
Interns/thesis writers/ PhD students/working students/ senior experts	**1,783**	1,671	1,511
Holiday workers	**3**	5	16

1 Female employee groups of Mercedes-Benz Group as at 31 December 2023.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Proportion of age groups (in %)[1]

GRI 405-1

	2023	2022[2]	2021[2]
under 25 years	**7.5**	7.7	7.3
25 to under 35 years	**21.3**	21.7	21.8
35 to under 45 years	**26.1**	25.3	25.1
45 to under 50 years	**12.2**	12.3	12.5
50 to under 55 years	**12.8**	13.2	13.7
55 years or older	**20.1**	19.8	19.6

1 Active workforce (employees without holiday workers, thesis writers, interns, working students, PhD students, senior experts and trainees) of Mercedes-Benz Group.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Other diversity key figures

	2023	2022[2]	2021[2]
Percentage of severely disabled persons			
Mercedes-Benz Group AG	**3.43**	3.77	4.06
Mercedes-Benz AG	**6.27**	6.31	6.42
Mercedes-Benz Mobility AG	**0.82**	0.74	0.99
Mercedes-Benz Bank AG	**3.87**	3.34	2.93
Average age of workforce[1]	**42.5**	42.4	42.5
Number of nations[1]	**142**	143	147

1 Total workforce (regular and temporary employees incl. holiday workers, thesis writers, interns, working students, PhD students, senior experts and trainees) of Mercedes-Benz Group.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Qualification, further education, dual university studies and training

GRI 404-1

	2023	2022	2021[5]
Costs for training (incl. dual university studies) in € millions[1]	**95**	97	93
Costs for further education in € millions[2, 3]	**81**	69	62
Qualification days per employee/year[4]	**2.0**	2.0	1.6
of which qualification days for women/year[4]	**1.9**	1.7	1.2
Qualification hours per employee/year[4]	**16.0**	16.0	11.2

1 Mercedes-Benz Group AG and Mercedes-Benz AG.
2 2021 Mercedes-Benz Group AG and Mercedes-Benz AG, from 2022 including Mercedes-Benz Intetellectual Property GmbH & Co. KG and Mercedes-Benz Mobility AG.
3 Decline due to the COVID-19 pandemic (in conjunction with lockdowns and short-time work in our locations as well as decimated on-site qualifications).
4 Note: As there is increasing use of learning formats integrated into the work process, the qualification days and hours do not necessarily reflect the actual qualification time.
5 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Young professionals[1]

	2023	2022[2]	2021[2]
Trainees	**1,036**	1,032	1,164
Dual university students	**137**	147	135
Young professionals total	**1,173**	**1,179**	**1,299**

1 Trainees and dual university students at Mercedes-Benz Group AG, Mercedes-Benz AG, Mercedes-Benz Mobility AG, Mercedes-Benz Bank AG and other subsidiaries in Germany.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Occupational accidents and accident frequency[1]

GRI 403-9

	2023	2022[4]	2021[4]
Occupational accidents[2]	**937**	1,171	1,277
Accident frequency[3]	**3.8[5]**	4.8	5.5

1 Recording rate Mercedes-Benz Group, consolidated and controlled production sites including selected high-risk development areas and the Global Logistics Center: 100% (Scope corresponds to that of previous years).
2 Number of occupational accidents registered in the system with at least one day of absence.
3 Number of occupational accidents registered in the system with at least one day of absence per 1 million hours of attendance.
4 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.
5 The key figures were audited in order to obtain “limited assurance”.

Absences due to occupational accidents[1]

GRI 403-9

	2023	2022[2]	2021[2]
Absences in hours due to occupational accidents (worldwide)	**107,720**	122,168	130,624
Absences in days due to occupational accidents (worldwide)	**13,465**	15,271	16,328
Accident burden (worldwide, number of days lost per 1 million attendance hours)	**53**	63	70

1 Recording rate Mercedes-Benz Group, consolidated and controlled production sites including selected high-risk development areas and the Global Logistics Center: 100% (Scope corresponds to that of previous years).
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Fatalities due to occupational accidents[1]

GRI 403-9

	2023	2022	2021[2, 3]
Employee fatalities due to occupational accidents	**1**	0	2
External employee fatalities due to occupational accidents	**0**	0	3

1 Recording rate Mercedes-Benz Group, consolidated and controlled production sites including selected high-risk development areas and the Global Logistics Center: 100% (Scope corresponds to that of previous years).
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

Participants in 6- and 12-day health training courses[1] (on the subject of exercise, nutrition & relaxation)

GRI 403-5/-6

	2023[6]	2022[2]	2021[2]
Employees in shift work (6-day)	**264**	270	–[4]
Employees on doctor recommendation (6-day)	**146**	–[5]	–[5]
Managers (6-day)	**135**	258	–[4]
Senior managers (6-day)	**183**	172	–[4]
Employees in shift work (12-day)	**185**	–[3]	–[4]
Managers (12-day)	**128**	–[3]	–[4]

1 Mercedes-Benz Group AG, Mercedes-Benz AG, Mercedes-Benz Ludwigsfelde GmbH and Mercedes-Benz Mobility AG (with a number of German subsidiaries), Mercedes-Benz Bank AG.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.
3 Due to the pandemic, there was no planning security for this offer in 2022.
4 Due to the pandemic, the health programmes were suspended in 2021.
5 Due to the pandemic, there were no participants on doctor recommendation.
6 Incl. Mercedes-AMG GmbH.

Services by the company medical service[1]

GRI 403-3

	2023[4]	2022[3]	2021[3]
Consultations carried out/offered (number)	**14,567**	14,914	15,507
Occupational health preventive screening	**30,592**	29,185	18,484
Vaccinations and medical travel advice	**9,868**	19,175	52,389
Emergency medical treatments	**2,198**	2,162	1,972
Diagnostic services (hearing/eye test, ECG etc.)	**35,856**	22,192	23,377
Laboratory analyses	**15,559**	10,685	17,986
Reintegration of chronically ill employees	**731**	557	628
Check-ups for senior managers[2]	**195**	228	14
HealthCheck[2]	**5,892**	338	75

1 Mercedes-Benz Group AG, Mercedes-Benz AG and Mercedes-Benz Ludwigsfelde GmbH.
2 Due to the pandemic, the health programmes were suspended in 2021 and partly cancelled in 2022.
3 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.
4 Incl. Mercedes-AMG GmbH.

Pension provisions of Mercedes-Benz Group (in bill. euros)

GRI 201-3 GRI 401-2

	2023	2022	2021[2]
Liabilities/provisions for the company pension scheme and preventive health care	**1.1**	1.0	5.4
Cash value of pension obligations as at 31 December 2023[1]	**22.0**	20.4	28.5
Costs for company pension plan	**0.4**	0.6	1.0
Expenditures for legally prescribed pension insurance	**1.0**	1.0	1.3
Payments to pensioners	**0.9**	0.9	1.1

1 The amount of this cash value is heavily dependent on the annual balance sheet valuation parameters, especially the discount rate.
2 Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company, this data is adjusted and still contains minor uncertainties because so-called hybrid locations and divisions can only be adjusted for accounting purposes starting with the financial year 2022.

FURTHER INFORMATION

Report profile

GRI 2-2/-3

In this Sustainability Report, the Mercedes-Benz Group takes stock of the significant effects of its corporate activities in 2023 and presents its current target programme. The report is available as a PDF and contains numerous links to further online information and the Annual Report 2023. Readers will also find a detailed GRI index, SASB and TCFD reports to download, a glossary of technical terms and key figures.

Group structure

GRI 2-1/-2/-3/-6

The Mercedes-Benz Group can look back on a tradition covering more than 135 years – a tradition that goes back to Gottlieb Daimler and Karl Benz, the inventors of the automobile – and features pioneering achievements in automotive engineering. Today, the company is a car manufacturer that operates globally and is one of the largest suppliers of luxury vehicles and commercial vans in the premium segment. The Group's range of products and services is supplemented by financing and leasing products for end customers and dealers, fleet management services, insurance brokerage, innovative and digital mobility services, charging infrastructure and systems for seamless payment.[1]

Mercedes-Benz Group AG is the parent company of the Mercedes-Benz Group and has its headquarters in Stuttgart. Along with Mercedes-Benz Group AG, the Mercedes-Benz Group comprises all subsidiaries over which Mercedes-Benz Group AG can exercise a controlling influence either directly or indirectly. Mercedes-Benz Group AG defines the Group strategy, manages the Group and, as the Group parent company, ensures the effectiveness of legal, organizational and compliance-related functions throughout the Group.

The Mercedes-Benz Cars, Mercedes-Benz Vans and Mercedes-Benz Mobility divisions manage the business operations of the Mercedes-Benz Group.

↗ Business model – Annual Report 2023

The Mercedes-Benz Group sells vehicles and provides services in nearly every country in the world and has more than 30 production facilities in Europe, North America and South America, Asia and Africa. The Group is continuously further developing its global production network on those continents and is aligning it to manufacture the portfolio of all-electric vehicles. The Group is also simultaneously building up a global battery production network on three continents.

As in the financial reporting, the information in this Sustainability Report relates to the entire Mercedes-Benz Group and its segments. All production-relevant majority holdings of the company are fully included in the calculation at 100%.

The reporting period corresponds to the financial year of the Mercedes-Benz Group, which runs from 1 January to 31 December 2023. It also corresponds to the period covered by the Annual Report.

1 Research by U.S. brand consultancy Interbrand in November 2023.

GRI standards

In 2006, the Mercedes-Benz Group (then DaimlerChrysler) joined the multi-stakeholder network of the Global Reporting Initiative (GRI), where it was initially active as an Organisational Stakeholder, followed by membership in the Gold Community and currently as a member of the GRI Community. The Mercedes-Benz Group does its reporting in accordance with the GRI standards for the period from 1 January 2023 to 31 December 2023.

↗ Further information – GRI Content index

What has changed in this report?

GRI 2-4 GRI 3-2

This report is based on the sustainable business strategy of the Mercedes-Benz Group. To provide readers with an overview, the content structure is organised according to the ESG theme fields “Governance”, “Environment” and “Social” as well as the “Foreword”, “Key figures” and “Further information” sections.

These were assigned the six areas of action and the three so-called enabler topics of the Mercedes-Benz Group, which as cross-cutting topics can also have an effect on the fields of action. The areas of action include “Climate protection & Air pollution control”, “Resource conservation”, “More sustainable urban mobility”, “Traffic safety”, “Data responsibility” and “Human rights”. The enabler topics are: “Integrity”, “People” and “Partnerships”. The overall management of the sustainability activities of the Mercedes-Benz Group is described in the section “Sustainable corporate governance”. In addition to the strategic areas of action and enablers, the Mercedes-Benz Group presents its measures in the area of “Social engagement” in another separate chapter. The chapters contain a detailed presentation of objectives, due diligence approach, measures and achievements in the year 2023.

↗ Sustainability management – Materiality assessment

Due to the spin-off and hive-down of the Daimler commercial vehicle business as an independent company in December 2021, the values for the financial years 2021, 2022 and 2023 are not comparable with those of previous years. This report therefore mainly presents the key figures for the years 2022 and 2023. Deviations are possible due to set base years. If the Mercedes-Benz Group calculates specific values for the individual divisions, more reporting periods may be presented.

Reporting principles

GRI 2-14 GRI 3-1

The Mercedes-Benz Group acknowledges its responsibility for the content of the Sustainability Report 2023. The Board of Management of the Mercedes-Benz Group has tasked the Disclosure Committee, which is also responsible for the financial reporting, with overseeing the compilation of the information in the Sustainability Report 2023 to the best of its knowledge and belief and free from material errors or omissions. This was done in consideration of the nature of the business activity, the relevant information process, the nature of the information, and the measurement, calculation or estimation methods used. To ensure the completeness of the information, corresponding omission statements in accordance with the GRI requirements were written wherever the available data may have been insufficient.

In order to determine which sustainability topics are particularly relevant for the Mercedes-Benz Group and its stakeholders, the Mercedes-Benz Group conducted a comprehensive materiality assessment in 2022.

↗ Sustainability management – Materiality assessment

In the opinion of the Mercedes-Benz Group, the information presented on this basis is balanced, appropriate and complete in relation to the key topics. Facts which are considered relevant in accordance with the legal definition of materiality are part of the Non-financial Declaration for 2023. The Mercedes-Benz Group

publishes this pursuant to the provisions of Sections 315b and 315c in conjunction with Sections 289b–289e of the German Commercial Code (HGB). It is part of the summarised Management Report of Mercedes-Benz Group AG and the Group.

↗ Non-financial Declaration – Annual Report 2023

Certified according to ISAE 3000 (Revised)

GRI 2-5

The Mercedes-Benz Group has engaged auditing firm KPMG AG Wirtschaftsprüfungsgesellschaft to perform a limited assurance engagement on the Mercedes-Benz Group Sustainability Report. The engagement was conducted in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and the International Standard on Assurance Engagements ISAE 3410 "Assurance Engagements on Greenhouse Gas Statements", issued by the IAASB. The focus of the audit was at the Group level. In addition, random samples were audited at individual factories. The following information was assessed:

- Information on CO_2 emissions (Scope 1, Scope 2 and selected Scope 3) in the following table
- "CO_2 emissions from energy consumption" incl. further information on greenhouse gas accounting.
- CO_2 emissions Scope 1, Scope 2 and selected Scope 3 categories worldwide for Mercedes-Benz Cars,
- CO_2 emissions Scope 1, Scope 2 and selected Scope 3 categories worldwide for Mercedes-Benz Vans,

↗ Climate protection for vehicles and services – Calculation and documentation of CO_2 emissions

- Information on energy consumption in the table "Energy consumption" and "Specific Energy consumption in production".

↗ Resource conservation in production – Reduction of energy consumption

- Information on water in the table "Water withdrawal", and "Specific water consumption in production" incl. calculation in accordance with GRI/CDP,

↗ Resource conservation in production – Efficient water utilisation

- Information on waste quantities in the table "Waste by waste type" and "Specific waste in production".

↗ Resource conservation in production – Less waste

- Relative changes in the above-mentioned specific consumption between 2022 and 2023 in %,

↗ Key Figures

- Information on production figures in the table "Production figures",

↗ Production figures (in units)

- Information on the "Calculation and documentation of CO_2 emissions" in the chapter "Climate protection",

↗ Climate protection for vehicles and services – Calculation and documentation of CO_2 emissions

- Information on accident frequency in production in the "Accident frequency" table and

↗ Climate protection for vehicles and services – Occupational accidents and accident frequency

- EU taxonomy KPIs in text and tables of the chapter "EU taxonomy".

↗ Sustainability management – EU taxonomy

Upon completion of the examinatioTn, the Mercedes-Benz Group received an audit opinion. It documents the objective, purpose and basis of the audit, the work performed, and the conclusions reached. The internal reporting on this is conducted by the Group Sustainability Committee (GSC). Audited tables are referenced accordingly using footnotes in the Sustainability Report. The audited contents of the Non-financial Declaration are part of the Sustainability Report but, unlike in the

previous year, are not explicitly labelled within the text. The Non-financial Declaration was audited with reasonable assurance by audit firm KPMG AG Wirtschaftsprüfungsgesellschaft as part of the audit of the consolidated financial statements of the Mercedes-Benz Group, with the exception of the aforementioned disclosures.

↗ Further information – KPMG auditor's report

↗ Non-financial Declaration, Annual Report 2023

UN Global Compact progress report

The Mercedes-Benz Group is committed to the ten principles of the UN Global Compact. The Mercedes-Benz Group (DaimlerChrysler at that time) was one of the first signatories and is involved in thematic and regional working groups and initiatives of the UN Global Compact. The Mercedes-Benz Group plans to present the next progress report on its sustainability activities in 2024.

Reporting process and quality assurance

The Mercedes-Benz Group reviews its goals, measures and areas of action in an internal process and carries out detailed benchmark analyses. The Board of Management of the Mercedes-Benz Group has tasked the Disclosure Committee, which is also responsible for the financial reporting, with overseeing the compilation of the information in the Sustainability Report 2023 to the best of its knowledge and belief and free from material errors or omissions – in consideration of the nature of the business activity, the relevant information process, the nature of the information and the measurement, calculation or estimation methods used.

Scope of reporting and data acquisition methods

GRI 2-2 GRI 2-4

Economic data

The information about economic relationships presented in the Sustainability Report 2023 is based on data from the Mercedes-Benz Group Annual Report 2023. The financial statements of the Mercedes-Benz Group and the combined management report for Mercedes-Benz Group AG and the Group for 2023 have been audited by audit firm KPMG AG Wirtschaftsprüfungsgesellschaft, which has issued an unqualified audit opinion.

↗ Annual Report 2023

Data on people

The facts and figures in the "People" chapter correspond to those in the Mercedes-Benz Group Annual Report 2023. The reporting on human resources data is based mainly on the "HR eData" and "HR ePARS" personnel planning and reporting systems. The data of all consolidated companies of the Group worldwide flow into both systems. The basis is provided by the respective local HR systems. For Germany, this is "ePeople". In the texts and graphics, the Mercedes-Benz Group states whether information relates to the entire Group or only to subdivisions.

Data collection on operational environmental protection

This includes the production sites of the consolidated subsidiaries and the production sites of the following non-consolidated subsidiaries: Star Transmission srl (Cugir, Romania), STARKOM, proizvodnja in trgovina d.o.o. (Maribor, Slovenia) and STARCAM s.r.o. (Most,

Czech Republic), as well as the German and European locations of the logistics, service and sales units. The locations of Mercedes-Benz Mobility AG are not taken into account. For this reason, the timelines may differ from those of previously published data. New locations are taken into account from the date of series production onwards. The environmental data for 2023 refers to a total of 40 manufacturing sites as well as other areas from research and development, logistics and sales.

Specific environmental and energy data

Resource consumption and emissions are largely dependent on the production volume. The Mercedes-Benz Group therefore calculates specific values for the individual divisions. For this purpose, the number of vehicles in the segment manufactured in the consolidated plants is referenced to the corresponding data of the production plants. The Mercedes-Benz Group collects the specific values of the Mercedes-Benz Cars and Mercedes-Benz Vans divisions in accordance with the business segment classification valid since 2006. Individual strings of numbers also include data from previous years; this is then shown accordingly. The specific data gained in this way can only represent general benchmarks, because this data does not consider the different ways in which the vertical integration of production has developed, the diversity of products or the special features of the production network, which in some cases spans divisions.

Editorial notes

GRI 2-3

As an international company, Mercedes-Benz fundamentally believes in equal opportunities, diversity, openness and respect. This is also reflected in the way the Mercedes-Benz Group thinks, acts and communicates. In principle, all terms chosen naturally include all genders and identities. In the context of gender-neutral language, the Mercedes-Benz Group prefers to use gender-neutral terms in the report, as well as both the feminine and masculine forms in various places. Composites are an exception in the interest of better readability; however, they explicitly refer to all genders and identities.

The report is available in German and English. In case of discrepancies between the versions, the German document shall prevail.

The Mercedes-Benz Group published its last Sustainability Report on 14 March 2023. The report for the reporting year 2023 will be published on 14 March 2024 under the title “Mercedes-Benz Group Sustainability Report 2023”. The Group is not planning a separate Sustainability Report for the 2024 reporting year. From the 2024 reporting year onwards, sustainability reporting is to be carried out in connection with the implementation of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) as a “Sustainability Statement” in the combined Management Report of Mercedes-Benz Group AG and the Group. Publication is planned for March 2025.

EU taxonomy

The EU Taxonomy Regulation and the delegated acts issued for the purpose, as well as the supplementary interpretation documents of the EU Commission, contain wording and terms that are still subject to considerable uncertainties of interpretation and for which clarifications have not yet been published in all cases. These relate, among other things, to questions of interpretation regarding the classification of economic activities, do no significant harm criteria and to the assessment of the economic substance of financial investments. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainty.

Information on electricity and fuel consumption and CO_2 emissions

The electricity consumption was determined on the basis of Regulation 2017/1151/EU. Further information on the official fuel consumption and the official specific CO_2 emissions of new passenger cars can be found in the "Guide to Fuel Consumption, CO_2 emissions and electricity consumption of new passenger cars".

Forward-looking statements

This document contains forward-looking statements that reflect our current views about future events. The words "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 negative change in market conditions 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; changes in laws, regulations and government policies (or changes in their interpretation), particularly those relating to vehicle emissions, fuel economy and safety or to ESG reporting (environmental, social or governance topics); price increases for fuel, raw materials or energy; disruption of production due to shortages of materials or energy, labour strikes or supplier insolvencies; a shift in consumer preferences towards smaller, lower-margin vehicles; a limited demand for all-electric vehicles; a possible lack of acceptance of our products or services which limits our ability to achieve prices and adequately utilize our production capacities; 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; the resolution of pending governmental investigations or of investigations requested by governments and the outcome 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.

Contact for the report

GRI 2-3

Mirjam Bendak
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Independent assurance practitioner's report[1]

To Mercedes-Benz Group AG, Stuttgart

We have performed a limited assurance engagement on selected sustainability disclosures in the Sustainability Report 2023 of Mercedes-Benz Group AG, Stuttgart (hereinafter also short "Company"), for the period from January 1 to December 31, 2023.

Disclosures audited with limited assurance, which are presented in tables or in the running text of the chapter "EU Taxonomy", are indicated by footnotes in the Sustainability Report 2023.

Further disclosures audited with limited assurance, which are presented in the running text, are not explicitly indicated by footnotes.

The disclosures include the following selected information on sustainability (hereinafter the "Sustainability Disclosures"):

- Disclosures on CO_2 emissions (Scope 1, Scope 2 and selected Scope 3) in the following tables
  - "CO_2 emissions from energy consumption", incl. further information on greenhouse gas accounting
  - "CO_2 emissions Scope 1, Scope 2 and selected Scope 3 categories worldwide for Mercedes-Benz Cars"
  - "CO_2 emissions Scope 1, Scope 2 and selected Scope 3 categories worldwide for Mercedes-Benz Vans"
- Disclosures on energy consumption in the tables "Energy consumption" and "Specific energy consumption in production",
- Disclosures on water in the tables "Water withdrawal" and "Specific water consumption in production", incl. the calculation in accordance with GRI / CDP,
- Disclosures on waste in the tables "Waste by waste type" and "Specific waste in production",
- Relative change in the above-mentioned specific consumptions between 2022 and 2023 in %,
- Disclosures on production figures in the table "Production figures",
- Disclosures regarding the "Calculation and documentation of CO_2 emissions" in the chapter "Climate protection",
- Disclosure on accident frequency at production sites in the table "Occupational accidents and accident frequency" as well as
- Key figures regarding the EU taxonomy in the running text and in the tables of the chapter "EU Taxonomy".

Responsibilities of Management
Management of Mercedes-Benz Group AG is responsible for the preparation of the Sustainability Report and the therein contained Sustainability Disclosures for the period from January 1 to December 31, 2023, in accordance with the therein stated Reporting Criteria and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and

1 Our engagement applied to the German version of the Sustainability Report 2023. This text is a translation of the independent assurance practioner's report issued in German language, whereas the German text is authoritative.

terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as set out in section "EU taxonomy" of the Sustainability Report.

This responsibility of the company's management includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, management is responsible for such internal control as they consider necessary to enable the preparation of the Sustainability Disclosures that are free from material misstatement, whether due to fraud (manipulation of the Sustainability Disclosures) or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, management has disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section "EU taxonomy" of the Sustainability Report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Independence and Quality Assurance of the Assurance Practitioner's firm

We have complied with the independence and quality assurance requirements set out in the national legal provisions and professional pronouncements, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with limited assurance on the Sustainability Disclosures described above based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and the International Standard on Assurance Engagements ISAE 3410 „Assurance Engagements on Greenhouse Gas Statements", issued by the IAASB, in the form of a limited assurance engagement for the Sustainability Disclosures described above. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's Sustainability Disclosures described above are not prepared, in all material respects, in accordance with the Reporting Criteria and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by management disclosed in section "EU taxonomy" of the Sustainability Report.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the assurance practitioner.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- A risk analysis, including a media search, to identify relevant sustainability aspects for Mercedes-Benz Group in the reporting period.
- Evaluation of the design and implementation of the systems and processes for the collection, processing, and control of the data on the selected sustainability performance indicators, including the consolidation of the data.

- Inquiries of relevant employees at corporate level responsible for providing the data, carrying out internal control procedures and consolidating the relevant data, including the accompanying explanatory notes.

- Examination of selected internal and external documents.

- Analytical evaluation of data and trends which are reported by selected sites to group level for consolidation.

- Assessment of selected local data collection, validation, and reporting processes and reliability of reported data via sampling survey in Sindelfingen (Germany), Buenos Aires (Argentina), Tuscaloosa (USA), and Vitoria (Spain).

- Interviews with responsible employees at group level to gain an understanding of the approach to identifying relevant economic activities according to the EU taxonomy.

- Evaluation of the overall presentation of the Sustainability Disclosures included in the scope of the audit.

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, management is required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance Opinion
Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the following selected Sustainability Disclosures

- CO_2 emissions (Scope 1, Scope 2 and selected Scope 3) in the following tables
  - "CO_2 emissions from energy consumption", incl. further information on greenhouse gas accounting
  - "CO_2 emissions Scope 1, Scope 2 and selected Scope 3 categories worldwide for Mercedes-Benz Cars"
  - "CO_2 emissions Scope 1, Scope 2 and selected Scope 3 categories worldwide for Mercedes-Benz Vans"
- Energy consumption in the tables "Energy consumption" and "Specific energy consumption in production",
- Water in the tables "Water withdrawal" and "Specific water consumption in production", incl. the calculation in accordance with GRI / CDP,
- Waste in the tables "Waste by waste type" and "Specific waste in production",
- Relative change in the above-mentioned specific consumptions between 2022 and 2023 in %,
- Production figures in the table "Production figures",
- Disclosures regarding the "Calculation and documentation of CO_2 emissions" in the chapter "Climate protection",
- Accident frequency at production sites in the table "Occupational accidents and accident frequency" as well as
- Key figures regarding the EU taxonomy in the running text and in the tables of the chapter "EU Taxonomy"

of Mercedes-Benz Group AG for the period from January 1 to December 31, 2023 are not prepared in all material respects, in accordance with the Reporting Criteria stated in the Sustainability Report 2023 of Mercedes-Benz Group AG and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by management as disclosed in section "EU taxonomy" of the Sustainability Report.

Restriction of Use
This assurance report is solely addressed to Mercedes-Benz Group AG for exclusive usage.

Our assignment for Mercedes-Benz Group AG and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer (German Public Auditors) and Wirtschaftsprüfungsgesellschaften (German Public Audit Firms) (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 (https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf). By reading and using the information contained in this assurance report, each recipient confirms to have taken note of the terms and conditions stipulated in the General Engagement Terms (including the liability limitations to EUR 4 Mio for negligence specified in item No. 9 included therein) and acknowledges their validity in relation to us.

Stuttgart, March 14, 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Engelmann Herold
Wirtschaftsprüfer

GRI content index

The Mercedes-Benz Group has reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023.
The relevant indicators are directly shown in the texts and combined in the GRI Index.

AR – Mercedes-Benz Group Annual Report 2023
SR – Mercedes-Benz Group Sustainability Report 2023
NFD – Non-Financial Declaration 2023 (part of the Mercedes-Benz Group Annual Report 2023)

GRI 2: General information 2021

Standard	Disclosure	Reference	Additional information and reasons	External audit*
2-1	Organizational details	↗ SR ▸ Sustainable corporate governance ▸ The Mercedes-Benz Group at a glance ↗ SR ▸ Sustainable corporate governance ▸ Managing sustainability ↗ SR ▸ Sustainable corporate governance ▸ Graphic Governance ↗ SR ▸ Report profile ▸ Group structure ↗ SR ▸ Imprint 🌐 AR ▸ Combined Management Report ▸ Corporate profile 🌐 Locations Mercedes-Benz Group		no
2-2	Entities included in the organization's sustainability reporting	↗ SR ▸ Sustainable corporate governance ▸ The Mercedes-Benz Group at a glance ↗ SR ▸ Report profile ↗ SR ▸ Report profile ▸ Group structure ↗ SR ▸ Report profile ▸ Scope of reporting and data acquisition methods 🌐 AR ▸ Annual Report 2023		no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Standard	Disclosure	Reference	Additional information and reasons	External audit*
2-3	Reporting period, frequency and contact point	↗ SR ▸ Report profile ↗ SR ▸ Report profile ▸ Group structure ↗ SR ▸ Report profile ▸ Editorial notes ↗ SR ▸ Report profile ▸ Contact for the report		no
2-4	Restatements of information	↗ SR ▸ Sustainable corporate governance ▸ The Mercedes-Benz Group at a glance ↗ SR ▸ Report profile ▸ What has changed in this report? ↗ SR ▸ Report profile ▸ Scope of reporting and data acquisition methods		no
2-5	External assurance	↗ SR ▸ Report profile ▸ Certified according to ISAE 3000 (Revised) ↗ SR ▸ Independent assurance practitioner's report		yes, partially
2-6	Activities, value chain and other business relationships	↗ SR ▸ Sustainable corporate governance ▸ The Mercedes-Benz Group at a glance ↗ SR ▸ Sustainable corporate governance ▸ Along the value chain ↗ SR ▸ Sustainable corporate governance ▸ Managing sustainability ↗ SR ▸ Sustainable corporate governance ▸ Graphic Governance ↗ SR ▸ Report profile ▸ Group structure 🌐 AR ▸ Non-Financial Declaration 🌐 AR ▸ Combined Management Report ▸ Important events 🌐 AR ▸ Combined Management Report ▸ Economic Conditions 🌐 AR ▸ Combined Management Report ▸ Automotive markets 🌐 AR ▸ Combined Management Report ▸ Business model 🌐 AR ▸ Combined Management Report ▸ The world economy and automotive markets		partially, AR

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Standard	Disclosure	Reference	Additional information and reasons	External audit*
2-7	Employees	↗ SR ▸ People ▸ Key figures Workforce ↗ SR ▸ People ▸ Key figures Workforce by employee groups ↗ SR ▸ People ▸ Key figures Average number of employees by employment contract type	2-7 b) The Mercedes-Benz Group reports on the regions of Europe, NAFTA, Latin America, Africa, Asia, Australia/Oceania, and reports separately on temporary and permanent employees, full and part-time employees and according to gender. 2-7 c) The data are obtained from the personnel reporting system HReData on a "head count" basis for the entire workforce excluding holiday workers. For reasons of confidentiality, it is currently not possible to differentiate the "diverse" gender in the "Key Figures Human Resources", as these are individual cases. To prevent retraceability of personal data, these are therefore not reported separately.	no
2-8	Workers who are not employees	↗ SR ▸ People ▸ Key figures Workforce by employee groups ↗ SR ▸ People ▸ Temporary work as an additional flexibility	Subcontracted employees (FAK) working under a contract for work and services are not integrated into the Group. According to German law, they must not be managed/supervised by the client. The deployment of such personnel is the responsibility of the contractor. No information is therefore available concerning the work carried out or the number of subcontracted employees used.	no
2-9	Governance structure and composition	↗ SR ▸ Sustainable corporate governance ▸ Managing Sustainability ↗ SR ▸ Sustainable corporate governance ▸ Graphic Governance 🌐 AR ▸ Objectives and Strategy 🌐 AR ▸ Corporate Profile 🌐 AR ▸ Non-Financial Declaration 🌐 AR ▸ Non-Financial Declaration ▸ Managing sustainability 🌐 AR ▸ Corporate Governance 🌐 AR ▸ Combined Management Report		partially, AR
2-10	Nomination and selection of the highest governance body	🌐 AR ▸ Corporate Covernance ▸ Composition and working method of the Board of Management 🌐 AR ▸ Corporate Covernance ▸ Composition and working method of the Supervisory Board and its committees		no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Standard	Disclosure	Reference	Additional information and reasons	External audit*
2-11	Chair of the highest governance body	↗ SR ▸ Sustainable corporate governance ▸ Managing sustainability ↗ SR ▸ Sustainable corporate governance ▸ Graphic Governance 🌐 Remuneration Report 2023		no
2-12	Role of the highest governance body in overseeing the management of impacts	↗ SR ▸ Sustainable corporate governance ▸ Managing sustainability ↗ SR ▸ Sustainable corporate governance ▸ Graphic Governance ↗ SR ▸ Sustainable corporate governance ▸ Risk and opportunity management ↗ SR ▸ Sustainable corporate governance ▸ Dialogue with stakeholders ↗ SR ▸ Resource conservation ▸ Group-wide resource management ↗ SR ▸ People ▸ Risk management 🌐 AR ▸ Non-Financial Declaration 🌐 AR ▸ Non-Financial Declaration ▸ Managing sustainability 🌐 AR ▸ Corporate Governance 🌐 AR ▸ Combined Management Report 🌐 AR ▸ Combined Management Report ▸ Organisatorische Einbettung des Risk and opportunity managements		no
2-13	Delegation of responsibility for managing impacts	↗ SR ▸ Sustainable corporate governance ▸ Managing sustainability ↗ SR ▸ Sustainable corporate governance ▸ Graphic Governance 🌐 AR ▸ Non-Financial Declaration		partially, NFD
2-14	Role of the highest governance body in sustainability reporting	↗ SR ▸ Sustainable corporate governance ▸ Managing sustainability ↗ SR ▸ Sustainable corporate governance ▸ Graphic Governance ↗ SR ▸ Report profile ▸ Reporting principles 🌐 AR ▸ Non-Financial Declaration		partially, NFD
2-15	Conflicts of interest	🌐 AR ▸ Corporate Governance ▸ Overall profiles of requirements for the composition of the Board of Management and the Supervisory Board		no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Standard	Disclosure	Reference	Additional information and reasons	External audit*
2-16	Communication of critical concerns	↗ SR ▸ Sustainable corporate governance ▸ Dialogue with stakeholders ↗ SR ▸ Integrity and compliance ▸ How legal proceedings are handled ↗ SR ▸ Integrity and compliance ▸ The Whistleblower System BPO ↗ SR ▸ Integrity and compliance ▸ Reported violations 🌐 AR ▸ Non-Financial Declaration ▸ Integrity and compliance		partially, NFD
2-17	Collective knowledge of the highest governance body	↗ SR ▸ Integrity and compliance ▸ Communication and training		no
2-18	Evaluation of the performance of the highest governance body	↗ SR ▸ Sustainable corporate governance ▸ Managing sustainability ↗ SR ▸ Sustainable corporate governance ▸ Graphic Governance 🌐 Remuneration Report 2023		no
2-19	Remuneration policies	↗ SR ▸ Sustainable corporate governance ▸ Managing sustainability ↗ SR ▸ Sustainable corporate governance ▸ Graphic Governance ↗ SR ▸ People ▸ Attractive and transparent remuneration ↗ SR ▸ Human Rights ▸ Organisational embedding 🌐 Remuneration Report 2023		yes, in separate Remuneration Report
2-20	Process to determine remuneration	↗ SR ▸ Sustainable corporate governance ▸ Managing Sustainability ↗ SR ▸ Sustainable corporate governance ▸ Graphic Governance ↗ SR ▸ People ▸ Attractive and transparent remuneration 🌐 Remuneration Report 2023		yes, in separate Remuneration Report
2-21	Annual total compensation ratio	↗ SR ▸ People ▸ Attractive and transparent remuneration 🌐 Remuneration Report 2023	For reasons of confidentiality and current availability of data, it is presently not possible to report on the ratio between total annual remuneration of the Board of Management and that of the total workforce at Mercedes-Benz Group.	no
2-22	Statement on sustainable development strategy	↗ SR ▸ Foreword		no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Standard	Disclosure	Reference	Additional information and reasons	External audit*
2-23	Policy commitments	↗ SR ▸ Sustainable corporate governance ▸ Policies, standards and principles ↗ SR ▸ Sustainable corporate governance ▸ Risk and opportunity management ↗ SR ▸ Integrity and compliance ▸ Organisation and areas of responsibility ↗ SR ▸ Integrity and compliance ▸ Integrity Code and corporate principles ↗ SR ▸ Data responsibility ▸ Internal regulations on data compliance ↗ SR ▸ Climate protection ▸ All-electric future ↗ SR ▸ Climate protection ▸ Climate-protection goal: Net carbon-neutrality ↗ SR ▸ Climate protection ▸ Sustainable transformation at the suppliers ↗ SR ▸ Climate protection ▸ Environmental and energy management systems ↗ SR ▸ Climate protection ▸ Net carbon-neutrality in production ↗ SR ▸ Resource conservation ▸ Group-wide resource management ↗ SR ▸ People ▸ The personnel strategy of the Mercedes-Benz Group ↗ SR ▸ People ▸ Firmly establishing working and social standards ↗ SR ▸ People ▸ Organisation and agreements ↗ SR ▸ People ▸ Diversity as a success factor ↗ SR ▸ People ▸ Strategic areas of action ↗ SR ▸ People ▸ Management of diversity and inclusion at the Group ↗ SR ▸ People ▸ Requirements and policies ↗ SR ▸ Traffic safety ▸ Materiality and goals ↗ SR ▸ Human Rights ▸ Obligation and mission ↗ SR ▸ Human Rights ▸ Principles ↗ SR ▸ Human Rights ▸ Organisational embedding ↗ SR ▸ Corporate citizenship ▸ Extensive commitment – from donations to corporate volunteering 🌐 AR ▸ Non-Financial Declaration		partially, NFD

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Standard	Disclosure	Reference	Additional information and reasons	External audit*
2-24	Embedding policy commitments	↗ SR ▸ Sustainable corporate governance ▸ Policies, standards and principles ↗ SR ▸ Sustainable corporate governance ▸ Risk and opportunity management ↗ SR ▸ Integrity and compliance ▸ Organisation and areas of responsibility ↗ SR ▸ Integrity and compliance ▸ Integrity Code and corporate principles ↗ SR ▸ Data responsibility ▸ Internal regulations on data compliance ↗ SR ▸ Climate protection ▸ Responsibilities and data transparency ↗ SR ▸ Climate protection ▸ Sustainable transformation at the suppliers ↗ SR ▸ Climate protection ▸ Environmental and energy management systems ↗ SR ▸ Climate protection ▸ Responsibilities and organisation ↗ SR ▸ Climate protection ▸ Purchase of green electricity and expansion of renewable energies ↗ SR ▸ Resource conservation ▸ Group-wide resource management ↗ SR ▸ People ▸ The personnel strategy of the Mercedes-Benz Group ↗ SR ▸ People ▸ Firmly establishing working and social standards ↗ SR ▸ People ▸ Organisation and agreements ↗ SR ▸ People ▸ Diversity as a success factor ↗ SR ▸ People ▸ Strategic areas of action ↗ SR ▸ People ▸ Management of diversity and inclusion at the Group ↗ SR ▸ People ▸ Requirements and policies ↗ SR ▸ Human Rights ▸ Obligation and mission ↗ SR ▸ Human Rights ▸ Organisational embedding ↗ SR ▸ Corporate citizenship ▸ Extensive commitment – from donations to corporate volunteering 🌐 AR ▸ Non-Financial Declaration		partially, NFD

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Standard	Disclosure	Reference	Additional information and reasons	External audit*
2-25	Processes to remediate negative impacts	↗ SR ▸ Sustainable corporate governance ▸ Risk and opportunity management ↗ SR ▸ Integrity and compliance ▸ Value-based compliance management ↗ SR ▸ Integrity and compliance ▸ The Compliance Management System ↗ SR ▸ Integrity and compliance ▸ The Whistleblower System BPO 🌐 AR ▸ Risk and Opportunity Report 🌐 AR ▸ Non-Financial Declaration		partially, NFD
2-26	Mechanisms for seeking advice and raising concerns	↗ SR ▸ Integrity and compliance ▸ Information, dialogue and training 🌐 AR ▸ Non-Financial Declaration ▸ Integrity and compliance		partially, NFD
2-27	Compliance with laws and regulations	↗ SR ▸ Integrity and compliance ▸ How legal proceedings are handled ↗ SR ▸ Air quality ▸ The latest diesel engines cause less nitrogen oxide emissions 🌐 AR ▸ Non-Financial Declaration ▸ Integrity and compliance 🌐 AR ▸ Risk and Opportunity Report ▸ Legal risks 🌐 AR ▸ Notes to the Consolidated Financial Statements ▸ Provisions for other risks 🌐 AR ▸ Notes to the Consolidated Financial Statements ▸ Legal proceedings		no
2-28	Membership associations	↗ SR ▸ Partnerships and political commitment ▸ Involvement in sustainability initiatives and associations ↗ SR ▸ Human Rights ▸ Industry associations, initiatives and standards ↗ SR ▸ Memberships, associations and initiatives		no
2-29	Approach to stakeholder engagement	↗ SR ▸ Sustainable corporate governance ▸ Dialogue with stakeholders ↗ SR ▸ Partnerships and political commitment ▸ Dialogue with stakeholders ↗ SR ▸ Human Rights ▸ Stakeholder involvement		partially, NFD
2-30	Collective bargaining agreements	↗ SR ▸ People ▸ Attractive and transparent remuneration ↗ SR ▸ People ▸ Dialogue with employee representatives	Throughout the Group, most employees are remunerated according to collective bargaining agreements. At Mercedes-Benz Group AG, Mercedes-Benz AG and other company units, these apply to all employees who are covered by collective agreements. No specific percentage figures are currently obtained.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 3: Key topics 2021

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-1	Process to determine material topics	↗ SR ▸ Sustainable corporate governance ▸ Materiality assessment ↗ SR ▸ Report profile ▸ Reporting principles 🌐 AR ▸ Non-Financial Declaration		partially, NFD
3-2	List of material topics	↗ SR ▸ Sustainable corporate governance ▸ Fields of action and fundamentals of sustainability ↗ SR ▸ Sustainable corporate governance ▸ Materiality assessment ↗ SR ▸ Report profile ▸ What has changed in this report?		no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Key topics: GRI 200 Economy

GRI 201: Economic performance 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	↗ SR ▸ Sustainable corporate governance ▸ Risk and opportunity management 🌐 AR ▸ Objectives and Strategy 🌐 AR ▸ Sustainability, integrity and diversity are the basis of our conduct		no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Standard	Disclosure	Reference	Additional information and reasons	External audit*
201-1	Direct economic value generated and distributed	AR ▸ Profitability, Liquidity and Capital Resources, Financial Position AR ▸ Further Information ▸ Key figures		no
201-2	Financial implications and other risks and opportunities due to climate change	SR ▸ Sustainable corporate governance ▸ Risk and opportunity management AR ▸ Risk and Opportunity Report		yes, Risk and Opportunity Report
201-3	Defined benefit plan obligations and other retirement plans	SR ▸ People ▸ Key figures Pension provisions of Mercedes-Benz Group (in bill. euros) AR ▸ Risk and Opportunity Report ▸ Risks and opportunities relating to pension plans	201-3 b) + d) + e): The data are currently not collected in the required form.	no
201-4	Financial assistance received from government	SR ▸ Partnerships and political commitment ▸ Party donations and political contributions AR ▸ Profitability, Liquidity and Capital Resources, Financial Position ▸ Refinancing AR ▸ Notes to the Consolidated Financial Statements ▸ Other operating income and expense		no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 202: Market presence 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	Remuneration Report 2023	Remuneration Report 2023	partially, in separate Remuneration Report
202-1	Ratios of standard entry level wage by gender compared to local minimum wage		Information about the minimum wages across countries in which the Group's companies and majority shareholdings are located is not centrally available. The "standard starting salaries" are specific to particular groups within the workforce (e.g. industrial employees, university graduates, holiday workers, etc.). As many of our companies are bound by collective bargaining agreements, and also because employee remuneration is market-oriented, the standard starting salaries generally lie above the minimum wages. Non-employees are recorded as subcontracted employees. Remuneration for subcontracted employees is generally paid in accordance with the statutory parameters, including minimum wage thresholds, insofar as these exist on a market-orientated basis.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Standard	Disclosure	Reference	Additional information and reasons	External audit*
202-2	Proportion of senior management hired from the local community		The proportion of senior managers who are recruited from the local community is defined locally in the respective sales market or at the production location. The percentage of managers in this category can currently not be determined centrally for the entire Group.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 203: Indirect economic effects 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	↗ SR ‣ Sustainable corporate governance ‣ Risk and opportunity management ↗ SR ‣ More sustainable urban mobility ‣ Materiality and goals ↗ SR ‣ More sustainable urban mobility ‣ Urban mobility ↗ SR ‣ More sustainable urban mobility ‣ Projects of the Urban Mobility Solutions unit ↗ SR ‣ Corporate citizenship ‣ Materiality and goals ↗ SR ‣ Corporate citizenship ‣ Corporate Citizenship Engagement		no
203-1	Infrastructure investments and services supported	↗ SR ‣ Climate protection ‣ Charging infrastructure and digital charging services ↗ SR ‣ More sustainable urban mobility ‣ Projects of the Urban Mobility Solutions unit ↗ SR ‣ Corporate citizenship ‣ Corporate citizenship commitment		no
203-2	Significant indirect economic impacts		Comprehensive data on the indirect economic effects are currently not available. The Group is constantly working to improve its knowledge of indirect external effects.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 204: Procurement practices 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	↗ SR ▸ Human Rights ▸ Materiality and goals ↗ SR ▸ Human Rights ▸ Obligation and mission ↗ SR ▸ Human Rights ▸ Organisational emdedding ↗ SR ▸ Human Rights ▸ Human Rights Respect System ↗ SR ▸ Human Rights ▸ Measures and results in the supply chains		no
204-1	Proportion of spending on local suppliers		Cooperation with suppliers at the Mercedes-Benz Group locations is variable and is based on their central purchasing standards, which the purchasing departments for production materials and non-production materials use as a guide. Specific information about specific procurement volumes cannot be provided from the currently available data.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 205: Anti-corruption 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	↗ SR ▸ Sustainable corporate governance ▸ Risk and opportunity management ↗ SR ▸ Integrity and compliance ▸ Materiality and goals ↗ SR ▸ Integrity and compliance ▸ Value-based compliance management ↗ SR ▸ Integrity and compliance ▸ The Compliance Management System ↗ SR ▸ Integrity and compliance ▸ Compliance risks ↗ SR ▸ Integrity and compliance ▸ Compliance organisation ↗ SR ▸ Integrity and compliance ▸ Combating corruption ↗ SR ▸ Integrity and compliance ▸ How legal proceedings are handled ↗ SR ▸ Integrity and compliance ▸ The Whistleblower System BPO ↗ SR ▸ Integrity and compliance ▸ Reported violations ↗ SR ▸ Integrity and compliance ▸ Communication and training 🌐 AR ▸ Non-Financial Declaration ▸ Integrity and compliance		partially, NFD
205-1	Operations assessed for risks related to corruption	↗ SR ▸ Integrity and compliance ▸ Compliance risks ↗ SR ▸ Integrity and compliance ▸ Combating corruption ↗ SR ▸ Integrity and compliance ▸ The Whistleblower System BPO ↗ SR ▸ Integrity and compliance ▸ Reported violations	The information is not broken down by company/business activity because the reference point for the Group's own risk assessment is the entity level, i.e. the legal entity or administrative unit. As part of the risk assessment, all units controlled by the Mercedes-Benz Group are examined for corruption risks.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Standard	Disclosure	Reference	Additional information and reasons	External audit*
205-2	Communication and training about anti-corruption policies and procedures	↗ SR ▸ Integrity and compliance ▸ Reported violations ↗ SR ▸ Integrity and compliance ▸ Communication and training ↗ SR ▸ Integrity and compliance ▸ Key figures Training programme Integrity and Compliance 2023 – web-based ↗ SR ▸ Integrity and compliance ▸ Key figures Integrity and compliance training programme 2023 – face-to-face	A differentiation or breakdown of the data by region would not be meaningful because the Mercedes-Benz Group is structured by business units (and not by regions). 205-2 a) and d) This also applies to the Supervisory Board, the central controlling body of Mercedes-Benz Group AG. 205-2 b) The Integrity Code describes the corporate and behavioural principles of the Mercedes-Benz Group. One of these principles is compliance with all applicable laws, e.g. for the prevention of corruption. The Integrity Code is binding for all employees of the Mercedes-Benz Group and the controlled Group companies and is made available via the internal Standardised Rules Database. It is therefore not necessary to differentiate the data or break it down by region and employee category. 205-2 c) The Mercedes-Benz Group also formulates clear compliance requirements for business partners via the Business Partner Standards (BPS). They specify these expectations of its suppliers in the Responsible Sourcing Standards (RSS). The BPS and RSS also contain the principles of the anti-corruption policy. For strategic reasons, the Mercedes-Benz Group does not communicate any specific key figures of the business partners with regard to combating corruption. The BPS and RSS are published on the website and are therefore accessible to everyone. 205-2 e) We publish the absolute number of employees who were trained in corruption-prevention methods during the reporting year. The defined cycles for these training courses are geared to the regularly assessed need for them. This is based on criteria such as the business model, belonging to defined high-risk countries, and functions. In view of this systematic training strategy, the Mercedes-Benz Group does not believe that publishing the percentage of participating employees compared to our total workforce, or breaking them down by region, would be meaningful. Not all employees have the same need for these training courses, and therefore such figures should not be used as the basis for determining the rate of participation in anti-corruption training courses.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Standard	Disclosure	Reference	Additional information and reasons	External audit*
205-3	Confirmed incidents of corruption and actions taken	↗ SR ▸ Integrity and compliance ▸ Combating corruption ↗ SR ▸ Integrity and compliance ▸ The Whistleblower System BPO ↗ SR ▸ Integrity and compliance ▸ Reported violations	205-3 a) The number of cases of corruption is reported in the “Compliance Management” chapter. Additional information about the type of corruption is not provided. We do not provide details about such cases, owing to the need to protect the privacy of affected individuals and of those providing the information. 205-3 b) and d) As a matter of principle, the Mercedes-Benz Group does not provide any information about human resources measures taken against employees. The Group is convinced that the personal rights of its employees in conjunction with the employer’s duty of care preclude publication. Because of the small number of cases of corruption that are publicly reported, it would be possible to deduce the human resources measures taken against individuals affected. Irrespective of this policy, the Mercedes-Benz Group does not receive any information about the outcome of any criminal proceedings against employees. The Group is not a party to any criminal proceedings. As a result, we cannot make any statements as to whether or not an accusation of corruption has been confirmed in criminal proceedings. 205-3 c) The Mercedes-Benz Group generally does not make statements about the total number of confirmed cases in which it terminated or refused to extend contracts with business partners, either extraordinarily for good cause or in connection with corruption. The underlying reason is that because of the small number of individual cases — in relation to the entire sales network of the Group — it would be possible to identify the business partners in question in a certain region. This would not be compatible with the general obligations of secrecy between business partners.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 206: Anti-competitive behaviour 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	SR ▸ Sustainable corporate governance ▸ Risk and Opportunity management SR ▸ Integrity and compliance ▸ Materiality and goals SR ▸ Integrity and compliance ▸ Value-based compliance management SR ▸ Integrity and compliance ▸ The Compliance Management System SR ▸ Integrity and compliance ▸ Promoting fair competition SR ▸ Integrity and compliance ▸ How legal proceedings are handled		no
206-1	Legal actions for anticompetitive behavior, anti-trust, and monopoly practices	SR ▸ Integrity and compliance ▸ Promoting fair competition SR ▸ Integrity and compliance ▸ How legal proceedings are handled AR ▸ Risk and Opportunity Report		no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 207: Taxes 2019

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	SR ▸ Sustainable corporate governance ▸ Tax obligation AR ▸ Non-Financial Declaration ▸ Tax obligation		partially, NFD
207-1	Approach to tax	SR ▸ Sustainable corporate governance ▸ Tax obligation AR ▸ Non-Financial Declaration ▸ Tax obligation		partially, NFD
207-2	Tax governance, control, and risk management	SR ▸ Sustainable corporate governance ▸ Tax obligation AR ▸ Non-Financial Declaration ▸ Tax obligation		partially, NFD
207-3	Stakeholder engagement and management of concerns related to tax	SR ▸ Sustainable corporate governance ▸ Tax obligation AR ▸ Non-Financial Declaration ▸ Tax obligation		partially, NFD

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Standard	Disclosure	Reference	Additional information and reasons	External audit*
207-4	Country-by-country reporting		In line with OECD guidelines, the Mercedes-Benz Group AG (former Daimler AG) has been submitting to Germany's Federal Central Tax Office a country-by-country (CbC) report as the Ultimate Parent Entity for the whole Group since financial year 2016. The CbC report is distributed to all participating tax authorities around the globe on the basis of bilateral and multilateral agreements. Also in line with OECD guidelines, the current EU Directive 2016/881 and German tax law, the Mercedes-Benz Group chooses to forego general publication of its CbC reports, as the required transparency to the fiscal authorities, which are able to appreciate the content of the figures and data, has already been ensured.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Key topics: GRI 300 Ecology

GRI 301: Materials 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	↗ SR ▸ Resource conservation ▸ Materiality and goals ↗ SR ▸ Resource conservation ▸ Decoupling resource consumption from growth ↗ SR ▸ Resource conservation ▸ Use of resources ↗ SR ▸ Resource conservation ▸ More resource-efficient production ↗ SR ▸ Resource conservation ▸ Group-wide resource management		no
301-1	Materials used by weight or volume	↗ SR ▸ Resource conservation ▸ Use of resources ↗ SR ▸ Resource conservation ▸ Use of secondary raw materials	The Group measures the use of metals and non-metals in the vehicles. At the moment it is not yet possible for the Group as a whole to break down the total weight of its vehicles into renewable and non-renewable materials. In the future the Mercedes-Benz Group intends to continually expand the use of renewable materials and integrate them into its calculation methods.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Standard	Disclosure	Reference	Additional information and reasons	External audit*
301-2	Recycled input materials used	↗ SR ▸ Resource conservation ▸ Secondary materials and renewable raw materials	The Mercedes-Benz Group reports the data at the individual vehicle level. Information on all materials and fleets is not currently available.	no
301-3	Reclaimed products and their packaging materials	↗ SR ▸ Resource conservation ▸ Circular economy	The Mercedes-Benz Group reports the data at the individual vehicle level. Information on all materials and fleets is not currently available.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 302: Energy 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	↗ SR ▸ Climate protection ▸ Materiality and goals ↗ SR ▸ Climate protection ▸ Environmental and energy management systems ↗ SR ▸ Climate protection ▸ Purchase of green electricity and expansion of renewable energies ↗ SR ▸ Resource conservation ▸ Group-wide resource management ↗ SR ▸ Resource conservation ▸ Materiality and goals ↗ SR ▸ Resource conservation ▸ More resource-efficient production		no
302-1	Energy consumption within the organization	↗ SR ▸ Climate protection ▸ Calculation of CO_2 emissions ↗ SR ▸ Climate protection ▸ Purchase of green electricity and expansion of renewable energies ↗ SR ▸ Resource conservation ▸ Reduction of energy consumption ↗ SR ▸ Resource conservation ▸ Key figures Energy consumption (in GWh)		partially, key figures
302-2	Energy consumption outside of the organization	↗ SR ▸ Climate protection ▸ Calculation of CO_2 emissions	The company collects information about the energy consumption outside the Group indirectly via the Scope 3 emissions. Our ascertainment of the Scope 3 emissions complies with the international guideline according to the Greenhouse Gas Protocol.	no
302-3	Energy intensity	↗ SR ▸ Resource conservation ▸ Reduction of energy consumption ↗ SR ▸ Resource conservation ▸ Key figures Specific energy consumption in production (in MWh/vehicle)		yes, partially

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Standard	Disclosure	Reference	Additional information and reasons	External audit*
302-4	Reduction of energy consumption	↗ SR ▸ Resource conservation ▸ Reduction of energy consumption		no
302-5	Reductions in energy requirements of products and services	↗ SR ▸ Climate protection ▸ Key figures Development of the average CO_2 emissions of the Mercedes-Benz passenger car fleet in Europe ↗ SR ▸ Climate protection ▸ Key figures Development of the CO_2 emissions of the Mercedes-Benz van fleet in Europe on average ↗ SR ▸ Climate protection ▸ Key figures Mercedes-Benz fleet consumption passenger cars in China ↗ SR ▸ Resource conservation ▸ Reduction of energy consumption		no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 303: Water and waste water 2018

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	↗ SR ▸ Resource conservation ▸ Materiality and goals ↗ SR ▸ Resource conservation ▸ Group-wide resource management ↗ SR ▸ Resource conservation ▸ More resource-efficient production		no
303-1	Interactions with water as a shared resource	↗ SR ▸ Sustainable corporate governance ▸ Managing sustainability ↗ SR ▸ Resource conservation ▸ Group-wide resource management ↗ SR ▸ Resource conservation ▸ Efficient water utilisation		no
303-2	Management of water discharge-related impacts	↗ SR ▸ Resource conservation ▸ Efficient water utilisation		no
303-3	Water withdrawal	↗ SR ▸ Resource conservation ▸ Efficient water utilisation ↗ SR ▸ Resource conservation ▸ Key figures Water withdrawal (in 1.000 m3)	303-3 b) + c): The data for water withdrawal, water consumption and water discharge for production locations with water stress levels are not shown in the required form in the system, therefore the requirement is "not applicable".	partially, key figures

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Standard	Disclosure	Reference	Additional information and reasons	External audit*
303-4	Water discharge	↗ SR ▸ Resource conservation ▸ Efficient water utilisation ↗ SR ▸ Resource conservation ▸ Key figures Wastewater volume (in 1.000 m3) ↗ SR ▸ Resource conservation ▸ Key figures Wastewater direct discharges	See GRI 303-3 Water withdrawal for explanation of the data situation.	no
303-5	Water consumption	↗ SR ▸ Resource conservation ▸ Efficient water utilisation	See GRI 303-3 Water withdrawal for explanation of the data situation.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 304: Biodiversity 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	↗ SR ▸ Resource conservation ▸ Biological diversity		no
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	↗ SR ▸ Resource conservation ▸ Biological diversity	A more differentiated analysis at the location level is currently not available.	no
304-2	Significant impacts of activities, products and services on biodiversity	↗ SR ▸ Resource conservation ▸ Biological diversity		no
304-3	Habitats protected or restored	↗ SR ▸ Resource conservation ▸ Biological diversity	Based on the data available in 2023, statements can only be made about individual measures for protected and renatured habitats. A full overview of the size and location of all protected or renatured habitats is not possible.	no
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	↗ SR ▸ Resource conservation ▸ Biological diversity	Quantitative data broken down by species are not available for all locations worldwide in 2023.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 305: Emissions 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	↗ SR ▸ Climate protection ▸ Materiality and goals ↗ SR ▸ Climate protection ▸ Regulatory framework for the decarbonisation of transport ↗ SR ▸ Climate protection ▸ Environmental aspects in product development ↗ SR ▸ Climate protection ▸ Responsibilities and data transparency ↗ SR ▸ Climate protection ▸ Climate-protection goal: Net carbon-neutrality ↗ SR ▸ Climate protection ▸ Sustainable transformation at the suppliers ↗ SR ▸ Climate protection ▸ Declaration of intent on net carbon-neutrality ↗ SR ▸ Climate protection ▸ Net carbon-neutrality in production ↗ SR ▸ Climate protection ▸ Responsibilities and organisation ↗ SR ▸ Climate protection ▸ Purchase of green electricity and expansion of renewable energies ↗ SR ▸ Air quality ▸ Materiality and goals ↗ SR ▸ Air quality ▸ Fewer air pollutants – in vehicles and production ↗ SR ▸ Air quality ▸ Measures in the development process ↗ SR ▸ Air quality ▸ The latest diesel engines cause less nitrogen oxide emissions		no
305-1	Direct (Scope 1) GHG emissions	↗ SR ▸ Climate protection ▸ CO_2 emissions along the entire value chain ↗ SR ▸ Climate protection ▸ Calculation and documentation of CO_2 emissions ↗ SR ▸ Climate protection ▸ Calculation of CO_2 emissions ↗ SR ▸ Climate protection ▸ Key figures CO_2 emissions from energy consumption (in 1,000 t) ↗ SR ▸ Climate protection ▸ Key figures CO_2 emissions Scope 1, Scope 2 and selected Scope 3 categories worldwide for Mercedes-Benz Cars ↗ SR ▸ Climate protection ▸ Key figures CO_2 emissions Scope 1, Scope 2 and selected Scope 3 categories worldwide for Mercedes-Benz Vans		partially, key figures

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Standard	Disclosure	Reference	Additional information and reasons	External audit*
305-2	Energy indirect (Scope 2) GHG emissions	↗ SR ▸ Climate protection ▸ CO_2 emissions along the entire value chain ↗ SR ▸ Climate protection ▸ Calculation and documentation of CO_2 emissions ↗ SR ▸ Climate protection ▸ Calculation of CO_2 emissions ↗ SR ▸ Climate protection ▸ Key figures CO_2 emissions from energy consumption (in 1,000 t) ↗ SR ▸ Climate protection ▸ Key figures CO_2 emissions Scope 1, Scope 2 and selected Scope 3 categories worldwide for Mercedes-Benz Cars ↗ SR ▸ Climate protection ▸ Key figures CO_2 emissions Scope 1, Scope 2 and selected Scope 3 categories worldwide for Mercedes-Benz Vans		partially, key figures
305-3	Other indirect (Scope 3) GHG emissions	↗ SR ▸ Climate protection ▸ CO_2 emissions along the entire value chain ↗ SR ▸ Climate protection ▸ Calculation and documentation of CO_2 emissions ↗ SR ▸ Climate protection ▸ Calculation of CO_2 emissions ↗ SR ▸ Climate protection ▸ Key figures CO_2 emissions Scope 1, Scope 2 and selected Scope 3 categories worldwide for Mercedes-Benz Cars ↗ SR ▸ Climate protection ▸ Key figures CO_2 emissions Scope 1, Scope 2 and selected Scope 3 categories worldwide for Mercedes-Benz Vans	305-3 a) + c): Die CO_2-Emissionen (Scope 3) werden gemäß Greenhouse Gas Protocol bilanziert und ausgewiesen. Im Abschnitt „Berechnung und Dokumentation der CO_2-Emissionen“ werden der Bilanzierungsansatz sowie die getroffenen Annahmen und Bilanzgrenzen erläutert. Weitere Treibhausgase (Scope 3) sowie die separate Darstellung der biogenen CO_2-Emissionen (Scope 3) werden im Berichtsjahr aufgrund geringen Umfangs sowie zur Sicherstellung der Komparabilität nicht ausgewiesen.	partially, key figures
305-4	GHG emissions intensity	↗ SR ▸ Climate protection ▸ Calculation of CO_2 emissions		no
305-5	Reduction of GHG emissions	↗ SR ▸ Climate protection ▸ Development of CO_2 emissions in Europe ↗ SR ▸ Climate protection ▸ Reduction of production-related CO_2 emissions		no
305-6	Emissions of ozonedepleting substances (ODS)		The legal regulations concerning the emission of ozone-depleting substances are complied with at all Mercedes-Benz Group production sites. However, the Group cannot rule out the possibility of very low levels of ozone-depleting emissions. These are within the legally permissible limits and are not recorded separately by the Group.	no
305-7	Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	↗ SR ▸ Air quality ▸ Key figures Air emissions in production (in t)	Depending on the production processes, the production sites of the Mercedes-Benz Group record the parameters NOx, SO_2, particulate matter and VOC emissions in kg. However, no data is collected at the sites on organic substances with a low biodegradation rate.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 306: Waste 2020

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	↗ SR ▸ Resource conservation ▸ Materiality and goals ↗ SR ▸ Resource conservation ▸ Group-wide resource management		no
306-1	Waste generation and significant waste-related impacts	↗ SR ▸ Resource conservation ▸ Less waste		no
306-2	Management of significant wasterelated impacts	↗ SR ▸ Resource conservation ▸ Less waste		no
306-3	Waste generated	↗ SR ▸ Resource conservation ▸ Key figures Waste by waste type (in 1,000 t) ↗ SR ▸ Resource conservation ▸ Key figures Specific waste in production (in kg/vehicle)		no
306-4	Waste diverted from disposal	↗ SR ▸ Resource conservation ▸ Recycling — keeping the end in mind from the start ↗ SR ▸ Resource conservation ▸ Key figures Waste by waste type (in 1,000 t)	306-4 b+c+d) As there were no hazardous or non-hazardous waste streams diverted from disposal within the Mercedes-Benz Group in the reporting year, there are also no data available on the various recovery processes or on whether the waste is further processed for recycling on site/not on site.	partially, key figures
306-5	Waste directed to disposal	↗ SR ▸ Resource conservation ▸ Removal of workshop waste with MeRSy ↗ SR ▸ Resource conservation ▸ Less waste ↗ SR ▸ Resource conservation ▸ Key figures Waste by waste type (in 1,000 t)	In general, the waste is collected by a waste disposal company and an approved waste processor then processes the waste at a different location. In addition, there are no data on the various disposal methods of the disposal company.	partially, key figures

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 308: Environmental assessment of suppliers 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	↗ SR ▸ Climate protection ▸ Materiality and goals ↗ SR ▸ Climate protection ▸ Climate-protection goal: Net carbon-neutrality ↗ SR ▸ Climate protection ▸ Sustainable transformation at the suppliers ↗ SR ▸ Climate protection ▸ Declaration of intent on net carbon-neutrality ↗ SR ▸ Climate protection ▸ Environmental and energy management systems ↗ SR ▸ Resource conservation ▸ Resource conservation in the supply chain		no
308-1	New suppliers that were screened using environmental criteria	↗ SR ▸ Climate protection ▸ Declaration of intent on net carbon-neutrality ↗ SR ▸ Resource conservation ▸ Resource conservation in the supply chain ↗ SR ▸ Human rights ▸ Risk analyses using questionnaires, audits and screenings	In 2023, a total of 744 on-site inspections were carried out at suppliers of production materials. A check was carried out to determine whether an environmental management system in accordance with ISO 14001 was in place. In the medium term, the Mercedes-Benz Group plans to cooperate even more closely with its suppliers and sensitise them to environmental issues.	no
308-2	Negative environmental impacts in the supply chain and actions taken	↗ SR ▸ Climate protection ▸ Data transpareny ↗ SR ▸ Resource conservation ▸ Resource conservation along the entire value chain ↗ SR ▸ Resource conservation ▸ Involvement in raw material initiatives	Owing to the large number of suppliers, the complexity of the overall supply chain and the challenging task of gaining an overview, it is not possible to provide any absolute and percentage data regarding actual or potential negative environmental impacts of our suppliers. As part of its efforts to make the supply chains more transparent, the Mercedes-Benz Group continues to strive for a better overview of any negative impacts on the environment.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Key topics: GRI 400 Social

GRI 401: Employees 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	↗ SR ▸ People ▸ Materiality and goals ↗ SR ▸ People ▸ Organisation and control ↗ SR ▸ People ▸ Temporary work as an additional flexibility ↗ SR ▸ People ▸ Firmly establishing working and social standards		no
401-1	New employee hires and employee turnover	↗ SR ▸ People ▸ Flexible working time models ↗ SR ▸ People ▸ Key figures Fluctuation rate (in %) ↗ SR ▸ People ▸ Key figures Fluctuation rate of female employees (in %) ↗ SR ▸ People ▸ Key figures External permanent hires ↗ SR ▸ People ▸ Key figures Female external permanent hires	The human resources system does not currently record the recruitment of new employees or the fluctuation rate by age groups.	no
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	↗ SR ▸ People ▸ Attractive and transparent remuneration ↗ SR ▸ People ▸ Flexible working time models ↗ SR ▸ People ▸ Balancing profession and private life ↗ SR ▸ People ▸ Key figures Pension provisions of Mercedes-Benz Group (in bill. Euros)		no
401-3	Parental leave	↗ SR ▸ People ▸ Flexible working time models ↗ SR ▸ People ▸ Balancing profession and private life ↗ SR ▸ People ▸ Key figures Employees entitled to parental leave and employees on parental leave	The human resources system does not currently record the total number of employees who were still employed twelve months after their return to work from parental leave, or the retention rates of these employees. However, the Mercedes-Benz Group has numerous measures in place to ensure job security as well as opportunities for further professional development for all employees returning from parental leave.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 402: Employee/employer relationship 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	↗ SR ▸ People ▸ Materiality and goals ↗ SR ▸ People ▸ Organisation and control ↗ SR ▸ People ▸ Firmly establishing working and social standards		no
402-1	Minimum notice periods regarding operational changes	↗ SR ▸ People ▸ Dialogue with employee representatives	According to the German Works Constitution Act, the works council must be informed about major operational changes in a timely manner. However, the act does not define a precise deadline for providing this information.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 403: Health & safety in the workplace 2018

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	↗ SR ▸ People ▸ Materiality and goals ↗ SR ▸ People ▸ Occupational health and safety management ↗ SR ▸ People ▸ Requirements and policies ↗ SR ▸ People ▸ Organisation and areas of responsibility ↗ SR ▸ People ▸ Accident documentation 🌐 AR ▸ Non-Financial Declaration ▸ Employee issues		partially, NFD

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Standard	Disclosure	Reference	Additional information and reasons	External audit*
403-1	Occupational health and safety management system	↗ SR ▸ People ▸ Occupational health and safety management ↗ SR ▸ People ▸ Requirements and policies ↗ SR ▸ People ▸ Certification and review of the OH&S management system ↗ SR ▸ People ▸ Accident documentation ↗ SR ▸ Human Rights ▸ Principles 🌐 AR ▸ Non-Financial Declaration ▸ Employee issues 🌐 Principles of Social Responsibility and Human Rights	The Mercedes-Benz Group operates on the basis of globally uniform guidelines for risk prevention. The “Occupational health and safety (A30.2)"" guideline and the guidelines on occupational health and safety (KBV 774) serve as overarching, internationally applicable company regulations. They are based on international standards and national laws, and emphasise the obligation of managers to act responsibly. However, they also underscore the employees’ own responsibility. Policy A30.2 covers all Group companies. It applies to all employees and members of executive bodies of the Mercedes-Benz Group and all controlled companies (100% of employees including salaried employees and workers who are not salaried employees but whose work and/or workplace is controlled by the organisation). The human rights risks are also described in the Mercedes-Benz Group’s 🌐 Principles of Social Responsibility and Human Rights.	partially, NFD
403-2	Hazard identification, risk assessment, and incident investigation	↗ SR ▸ People ▸ Organisation and areas of responsibility ↗ SR ▸ People ▸ Risk management ↗ SR ▸ People ▸ Risk assessments ↗ SR ▸ People ▸ Accident documentation ↗ SR ▸ Human Rights ▸ Principles 🌐 Principles of Social Responsibility and Human Rights	The Group encourages the reporting of unsafe conditions in the interests of an open error culture. At the same time, the Mercedes-Benz Group recognises the right of employees to remove themselves immediately from dangerous work situations without fear of reprisals (content of the binding guidelines on occupational health and safety). The human rights risks are described in the Mercedes-Benz Group’s 🌐 Principles of Social Responsibility and Human Rights.	no
403-3	Occupational health services	↗ SR ▸ People ▸ Organisation and responsibilities ↗ SR ▸ People ▸ Company health management and mental health ↗ SR ▸ People ▸ Medical and psychosocial support ↗ SR ▸ People ▸ Key figures Services by the company medical service ↗ SR ▸ Human Rights ▸ Principles 🌐 Principles of Social Responsibility and Human Rights	The human rights risks are described in the Mercedes-Benz Group’s 🌐 Principles of Social Responsibility and Human Rights.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Standard	Disclosure	Reference	Additional information and reasons	External audit*
403-4	Worker participation, consultation, and communication on occupational health and safety	↗ SR ▸ People ▸ Organisation and areas of responsibility ↗ SR ▸ People ▸ Occupational health and safety management ↗ SR ▸ Human Rights ▸ Principles 🌐 Principles of Social Responsibility and Human Rights	The Mercedes-Benz Group has established committees for occupational health and safety issues at every location. They inform employees about all aspects of SGA management and involve them accordingly. This applies equally to the employees of the Mercedes-Benz Group and to the Group's temporary workers. The human rights risks are described in the Mercedes-Benz Group's 🌐 Principles of Social Responsibility and Human Rights.	no
403-5	Worker training on occupational health and safety	↗ SR ▸ People ▸ Company health management and mental health ↗ SR ▸ People ▸ Occupational health and safety management ↗ SR ▸ People ▸ Key figures Participants in 6 and 12-day health training courses (on the subject of exercise, nutrition & relaxation) ↗ SR ▸ Human Rights ▸ Principles 🌐 Principles of Social Responsibility and Human Rights	The human rights risks are described in the Mercedes-Benz Group's 🌐 Principles of Social Responsibility and Human Rights.	no
403-6	Promotion of worker health	↗ SR ▸ People ▸ Company health management and mental health ↗ SR ▸ People ▸ Key figures Participants in 6 and 12-day health training courses (on the subject of exercise, nutrition & relaxation) ↗ SR ▸ People ▸ Medical and psychosocial support ↗ SR ▸ Human Rights ▸ Principles 🌐 Principles of Social Responsibility and Human Rights	The human rights risks are described in the Mercedes-Benz Group's 🌐 Principles of Social Responsibility and Human Rights.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Standard	Disclosure	Reference	Additional information and reasons	External audit*
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	↗ SR ▸ People ▸ Requirements and policies ↗ SR ▸ People ▸ Risk management ↗ SR ▸ People ▸ Risk assessment ↗ SR ▸ Human Rights ▸ Social Compliance Management System 🌐 Principles of Social Responsibility and Human Rights	The Mercedes-Benz Group uses the safety due diligence method to evaluate locations with regard to occupational safety to identify significant occupational health and safety risks that could influence the company's value. This is based, among other things, on the German Stock Corporation Act (e.g. KonTraG) and the Mercedes-Benz Group's corporate governance policy on social responsibility. The method is used at all production sites worldwide. In order to prevent and mitigate negative impacts on occupational safety in external companies, a variety of safety regulations such as the internal "A30 – Occupational Health and Safety" policy, as well as the applicable legal regulations, are adhered to. The human rights risks are described in the Mercedes-Benz Group's 🌐 Principles of Social Responsibility and Human Rights.	no
403-8	Workers covered by an occupational health and safety management system	↗ SR ▸ People ▸ Requirements and policies ↗ SR ▸ People ▸ Risk management ↗ SR ▸ People ▸ Certification and review of the OH&S management system ↗ SR ▸ Human Rights ▸ Principles 🌐 Principles of Social Responsibility and Human Rights	The scope of application of the occupational health and safety policy (A30.2) ensures that all employees are covered by a management system for occupational health and safety. External companies are also instructed and monitored in this respect. The human rights risks are described in the Mercedes-Benz Group's 🌐 Principles of Social Responsibility and Human Rights.	no
403-9	Work-related injuries	↗ SR ▸ People ▸ Key figures Occupational accidents and accident frequency ↗ SR ▸ People ▸ Key figures Absences due to occupational accidents ↗ SR ▸ People ▸ Key figures Fatalities due to occupational accidents ↗ SR ▸ Human Rights ▸ Principles 🌐 Principles of Social Responsibility and Human Rights	403-9 b): The key figures are not collected separately for salaried employees and for workers who are not salaried employees, as the SGA management system applies equally to both groups of employees. The number and rate of work-related injuries are recorded both for employees (accident frequency in relation to 1,000,000 working hours) and for workers who are not salaried employees but whose work and/or workplace is controlled by the organisation (1000-man rate). The accidents are analysed according to the type of injury. 403-9 c) + d): Hazards and measures are determined individually in the respective area of responsibility as part of the risk assessment using suitable instruments. The human rights risks are described in the Mercedes-Benz Group's 🌐 Principles of Social Responsibility and Human Rights.	yes, partially

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Standard	Disclosure	Reference	Additional information and reasons	External audit*
403-10	Work-related ill health	↗ SR ▸ Human Rights ▸ Principles 🌐 Principles of Social Responsibility and Human Rights	Due to statutory health protection regulations, there is no differentiation between illnesses and work-related illnesses in Germany. In addition, there is an occupational illness right in Germany, which is the responsibility of the employers' liability insurance association and does not allow data to be transferred for data protection reasons. The human rights risks are described in the Mercedes-Benz Group's 🌐 Principles of Social Responsibility and Human Rights.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 404: Training and further development 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	↗ SR ▸ People ▸ Materiality and goals ↗ SR ▸ People ▸ Development of training and further qualification ↗ SR ▸ People ▸ Organisation and agreements 🌐 AR ▸ Non-Financial Declaration		partially, NFD
404-1	Average hours of training per year per employee	↗ SR ▸ People ▸ Building digital skills ↗ SR ▸ People ▸ Key figures Qualification, further education, dual university studies and training	The Mercedes-Benz Group reports key figures on training and development and average training days per employee for Mercedes-Benz Group AG, Mercedes-Benz AG, Mercedes-Benz Intellectual Property GmbH & Co. KG and Mercedes-Benz Mobility AG. In addition, the Group also states the average number of training days per employee for the female workforce. There is no additional breakdown by employee category in this Sustainability Report.	no
404-2	Programs for upgrading employee skills and transition assistance programs	↗ SR ▸ People ▸ Flexible working time models ↗ SR ▸ People ▸ Trainees and students ↗ SR ▸ People ▸ Qualification and learning programmes for employees ↗ SR ▸ People ▸ Management development ↗ SR ▸ People ▸ Utilising the strengths of young and old 🌐 AR ▸ Non-Financial Declaration ▸ Employee issues		partially, NFD

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Standard	Disclosure	Reference	Additional information and reasons	External audit*
404-3	Percentage of employees receiving regular performance and career development reviews	↗ SR ▸ People ▸ Leadership culture ↗ SR ▸ People ▸ Organisation and agreements	The exact percentage is not determined currently. The Mercedes-Benz Group comprehensively ensures the regular assessment of employee performance by means of various measures at different management levels.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 405: Diversity and equal opportunity 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	↗ SR ▸ People ▸ Materiality and goals ↗ SR ▸ People ▸ Diversity as a success factor ↗ SR ▸ People ▸ Strategic areas of action ↗ SR ▸ People ▸ Management of diversity and inclusion at the Group ↗ SR ▸ People ▸ Promoting cultural diversity and internationality ↗ SR ▸ People ▸ Diversity and inclusion beyond Group boundaries 🌐 AR ▸ Non-Financial Declaration ▸ Employee issues		partially, NFD
405-1	Diversity of governance bodies and employees	↗ SR ▸ People ▸ Measures for the advancement of women ↗ SR ▸ People ▸ Key figures Female workforce ↗ SR ▸ People ▸ Key figures Female workforce (in %) ↗ SR ▸ People ▸ Key figures Female workforce by groups ↗ SR ▸ People ▸ Key figures Proportion of age groups (in %) ↗ SR ▸ Human Rights ▸ Principles 🌐 AR ▸ Corporate Governance ▸ Overall profiles of requirements for the composition of the Board of Management and the Supervisory Board	The Mercedes-Benz Group reports in other age groups and categories than those required by the standard. It reports the proportion of women in the total workforce, the proportion of women in senior management positions and the proportion of women on the Board of Management and Supervisory Board. The composition of the Board of Management and the Supervisory Board is disclosed in detail in the Annual Report.	partially, NFD

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Standard	Disclosure	Reference	Additional information and reasons	External audit*
405-2	Ratio of basic salary and remuneration of women to men	↗ SR ▸ People ▸ Attractive and transparent remuneration		no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 406: Freedom from discrimination 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	↗ SR ▸ People ▸ Diversity as a success factor ↗ SR ▸ People ▸ Strategic areas of action ↗ SR ▸ People ▸ Management of diversity and inclusion at the Group		no
406-1	Incidents of discrimination and corrective actions taken	↗ SR ▸ Integrity and compliance ▸ The Whistleblower System BPO ↗ SR ▸ People ▸ Dealing with violations of policy ↗ SR ▸ Human Rights ▸ Principles	As the identified cases of discrimination are very few, no status reports are given or specific measures described for reasons of confidentiality. The centrally organised procedure for discrimination incidents is described in the "Integrity and Compliance" chapter of the report.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 407: Freedom of association and collective bargaining 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	↗ SR ▸ People ▸ Materiality and goals ↗ SR ▸ People ▸ Organisation and control ↗ SR ▸ Human Rights ▸ Obligation and mission ↗ SR ▸ Human Rights ▸ Organisational embedding ↗ SR ▸ Human Rights ▸ Human Rights Respect System ↗ SR ▸ Human Rights ▸ Measures and results in the supply chains 🌐 AR ▸ Non-Financial Declaration ▸ Employee issues		partially, NFD

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Standard	Disclosure	Reference	Additional information and reasons	External audit*
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	SR ▸ People ▸ Dialogue with employee representatives SR ▸ Human Rights ▸ Principles SR ▸ Human Rights ▸ Measures and results in the supply chains		no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 408: Child labour 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	SR ▸ Human Rights ▸ Materiality and goals SR ▸ Human Rights ▸ Obligation and mission SR ▸ Human Rights ▸ Organisational embedding SR ▸ Human Rights ▸ Human Rights Respect System SR ▸ Human Rights ▸ Measures and results in the supply chains		no
408-1	Operations and suppliers at significant risk for incidents of child labor	SR ▸ Human Rights ▸ Principles SR ▸ Human Rights ▸ Requirements for suppliers		no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 409: Forced labour 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	SR ▸ Human Rights ▸ Materiality and goals SR ▸ Human Rights ▸ Obligation and mission SR ▸ Human Rights ▸ Organisational embedding SR ▸ Human Rights ▸ Human Rights Respect System SR ▸ Human Rights ▸ Measures and results in the supply chains		no
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	SR ▸ Human Rights ▸ Principles SR ▸ Human Rights ▸ Requirements for suppliers		no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 410: Safety practices 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	SR ▸ Human Rights ▸ Materiality and goals SR ▸ Human Rights ▸ Obligation and mission SR ▸ Human Rights ▸ Organisational embedding SR ▸ Human Rights ▸ Human Rights Respect System SR ▸ Human Rights ▸ Measures and results in the supply chains		no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Standard	Disclosure	Reference	Additional information and reasons	External audit*
410-1	Security personnel trained in human rights policies or procedures	↗ SR ▸ Human Rights ▸ Training on the topic of human rights ↗ SR ▸ Human Rights ▸ Measures and results in the supply chains	The percentage of employees who are trained in the organisation's specific human rights processes and their application in the area of security is not currently recorded. The Mercedes-Benz Group works with service providers in the area of security services. They are required to respect human rights through the Group's own sustainability standards. All external service providers have access to our compliance awareness module, which includes a special chapter dealing with corporate responsibility in the area of human rights. The Group does not publish information on the completion of the compliance awareness module by external service providers (in absolute terms and as a percentage). It aims to ensure that the relevant managers, their employees and the providers of security services are fully aware of the Group's own human rights requirements by incorporating these guidelines into the usual internal regulations and existing contracts with suppliers and providers of security services and continuously reviewing these contracts.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 413: Local communities 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	↗ SR ▸ Partnerships and political commitment ▸ Materiality and goals ↗ SR ▸ Partnerships and political commitment ▸ Responsible and transparent representation of interests ↗ SR ▸ Partnerships and political commitment ▸ Dialogue with stakeholders ↗ SR ▸ Partnerships and political commitment ▸ Governance ↗ SR ▸ Partnerships and political commitment ▸ Positioning and measures on particularly relevant topics ↗ SR ▸ Partnerships and political commitment ▸ Involvement in sustainability initiatives and associations ↗ SR ▸ Corporate citizenship ▸ Materiality and goals ↗ SR ▸ Corporate citizenship ▸ Corporate citizenship commitment ↗ SR ▸ Corporate citizenship ▸ Extensive commitment – from donations to corporate volunteering ↗ SR ▸ Corporate citizenship ▸ Rating and evaluation of activities		no
413-1	Operations with local community engagement, impact assessments, and development programs	↗ SR ▸ Partnerships and political commitment ▸ Dialogue with stakeholders ↗ SR ▸ Corporate citizenship ▸ For the locations	The Mercedes-Benz Group is active at all major operating sites. Most of the societally and socially beneficial activities of our operating sites are decentralised. As a result, there is no central collection of data that could be used to calculate the percentage of operating sites where measures that involve local communities have been implemented. All activities are recorded in our donation and sponsorship database. Information about centrally coordinated activities can be found in the "Social Engagement" chapter of this report.	no
413-2	Operations with significant actual and potential negative impacts on local communities	↗ SR ▸ Sustainable corporate governance ▸ Risk and opportunity management 🌐 AR ▸ Risk and Opportunity Report		no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 414: Social assessment of suppliers 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	↗ SR ▸ Human Rights ▸ Materiality and goals ↗ SR ▸ Human Rights ▸ Obligation and mission ↗ SR ▸ Human Rights ▸ Organisational embedding ↗ SR ▸ Human Rights ▸ Human Rights Respect System ↗ SR ▸ Human Rights 🌐 AR ▸ Non-Financial Declaration ▸ Measures in the supply chain 🌐 AR ▸ Non-Financial Declaration		partially, NFD
414-1	New suppliers that were screened using social criteria	↗ SR ▸ Human Rights ▸ Human Rights Respect System ↗ SR ▸ Human Rights ▸ Identification of risk raw materials and services 🌐 AR ▸ Non-Financial Declaration ▸ Reported violations		partially, NFD
414-2	Incidents of noncompliance concerning the health and safety impacts of products and services	↗ SR ▸ Human Rights ▸ Measures and results in the supply chain 🌐 AR ▸ Non-Financial Declaration ▸ Reported violations	Owing to the large number of suppliers, the complexity of the entire supply chain and the challenging task of gaining an overview, it is not possible to provide any percentage data regarding actual or potential human rights violations by our suppliers. As part of its endeavours to achieve greater transparency in its supply chains, the Group is also striving for a better overview of the social impacts.	partially, NFD

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 415: Public Policy 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	↗ SR ▸ Partnerships and political commitment ▸ Materiality and goals ↗ SR ▸ Partnerships and political commitment ▸ Responsible and transparent representation of interests ↗ SR ▸ Partnerships and political commitment ▸ Governance ↗ SR ▸ Partnerships and political commitment ▸ Positioning and measures on particularly relevant topics 🌐 AR ▸ Non-Financial Declaration ▸ Responsible and transparent representation of interests		partially, NFD
415-1	Political contributions	↗ SR ▸ Partnerships and political commitment ▸ Party donations and political contributions 🌐 AR ▸ Non-Financial Declaration ▸ Responsible and transparent representation of interests		partially, NFD

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 416: Customer health & safety 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	↗ SR ▸ Integrity and compliance ▸ Materiality and goals ↗ SR ▸ Integrity and compliance ▸ The Compliance Management System ↗ SR ▸ More sustainable urban mobility ▸ Materiality and goals ↗ SR ▸ Traffic safety ▸ Materiality and goals ↗ SR ▸ Traffic safety ▸ Safety for everyone involved ↗ SR ▸ Traffic safety ▸ Holistic safety concept ↗ SR ▸ Traffic safety ▸ Accident research and crash tests ↗ SR ▸ Traffic safety ▸ Advantages and risks of the new systems ↗ SR ▸ Traffic safety ▸ Responsible product development ↗ SR ▸ Traffic safety ▸ Internationalisation of the SAE Level 3 system DRIVE PILOT ↗ SR ▸ More sustainable urban mobility ▸ Materiality and goals		no
416-1	Assessment of the health and safety impacts of product and service categories	↗ SR ▸ Traffic safety ▸ Assistance and safety systems	The safety of all Mercedes-Benz vehicles is verified by stringent quality management systems and checks.	no
416-2	Incidents of noncompliance concerning the health and safety impacts of products and services	↗ SR ▸ Integrity and compliance ▸ Ensuring compliance with product requirements ↗ SR ▸ Air quality ▸ Technical Compliance Management System ↗ SR ▸ Traffic safety ▸ Responsible product development 🌐 Compliance Management	If vehicles held by customers exhibit anomalies with regard to safety, conformity or emissions, the company's processes for evaluating and regulating such situations in the field come into play. It responds to such situations by performing customer service activities, for example, or by recalling vehicles if necessary.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

GRI 418: Protection of customer data 2016

Standard	Disclosure	Reference	Additional information and reasons	External audit*
3-3	Management of material topics	↗ SR ▸ Data responsibility ▸ Materiality and goals ↗ SR ▸ Data responsibility ▸ Data protection and information security ↗ SR ▸ Data responsibility ▸ Holistic data responsibility ↗ SR ▸ Data responsibility ▸ Data Compliance Management System ↗ SR ▸ Data responsibility ▸ Effectiveness evaluation of the Data CMS		no
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	↗ SR ▸ Data responsibility ▸ Dealing with data breaches	The total number of substantiated complaints received in relation to breaches of customer data protection is not available at a global level, as it is not decisive for the Group as an abstract figure.	no

* The external audit was conducted on the basis of the corresponding PDF documents and the overview of the key indicators.

Memberships, associations and initiatives

GRI 2-28

Overarching memberships

Name	Member/ support since	Sphere of action	Founding groups and main partners	Status
econsense – Forum for Sustainable Development of German Business	2011	Germany	Members are leading German (especially DAX-listed) companies and organisations from various sectors.	Voluntary
Global Reporting Initiative (GRI)	2006	Worldwide	Founded by Ceres & UNEP; supported by a broad network of companies, civil society players, public agencies, scientists, consultancies etc.	Voluntary
United Nations Global Compact	2000	Worldwide	Daimler was a founding member. A UN initiative for promoting human rights, working standards, environmental protection and the prevention of corruption; the worldwide participants are companies and organisations from civil society and the fields of politics and science.	Voluntary
UN Global Compact Network Germany	2000	Germany	Network of German Global Compact members, coordinated by GIZ.	Voluntary
World Business Council for Sustainable Development (WBCSD)	2013	Worldwide	Founded in 1992 in the run-up to the Rio Earth Summit with the aim of anchoring the concept of sustainable development in the business world; the WBCSD is run by its member companies; members are almost 200 companies from various sectors.	Voluntary

Economic affairs and employment

Name	Member/ support since	Sphere of action	Founding groups and main partners	Status
Alliance for Automotive Innovation (AAI)		USA	An automobile manufacturers' association	Voluntary
AmCham Germany	1950	Germany	A network of German and US companies that operate in Germany.	Voluntary

Name	Member/ support since	Sphere of action	Founding groups and main partners	Status
AmCham EU	2003	EU	A network of European and US companies that operate in Europe.	Voluntary
Berlin Center of Corporate Governance	2002	Germany	A corporate governance competence centre jointly run by scientific institutions and businesses.	Voluntary
Confederation of German Employers' Associations (BDA)	1949	Germany	Employers' umbrella organisation.	No direct membership
Federation of German Industries (BDI)		Germany	Umbrella organisation of the German industry and industry-related service providers in Germany.	No direct membership
BusinessEurope (BE)	2006	EU	Membership of 41 central industry and employers' associations in 35 countries.	Voluntary
German Investor Relations Association (DIRK)	1999	Germany	German professional association for investor relations.	Voluntary
German Equities Institute (DAI)	1967	Germany	Association of German listed stock corporations and institutions.	Voluntary
German Association for International Tax Law (IFA)	2005	Germany	The purpose of the IFA is the study and promotion of international and comparative tax law.	Voluntary
European Automobile Manufacturers' Association (ACEA)	1974			
Founding member of the Task Force Data Protection (ACEA)	2015	EU	ACEA represents the interests of 18 European car, truck and bus manufacturers at the EU level.	Voluntary
European Round Table (ERT)	2020	Europe	A network of European companies in the manufacturing and technology sectors.	Voluntary
Institute for Digitisation in Tax Law	2021	Germany	Non-profit association that promotes science and research in the field of digitisation of tax processes.	Voluntary
Institute for Digitisation in Tax Law	1946	Worldwide	The world's largest business association, with more than 7,000 members; has national committees and groups in over 90 countries.	Voluntary
International Chamber of Commerce (ICC)	1951	Germany	Umbrella organisation of the industry and industry-related service providers in Baden-Württemberg. Bundles and moderates the economic, social, labour, social and educational policy interests of member associations as well as individual companies from industry, services, trade, crafts and agriculture.	Voluntary
Unternehmer Baden-Württemberg (UBW) (Baden-Württemberg Entrepreneurs' Association)	2014	Germany	Unternehmensverband Südwest (USW) is an interest group with a socio-political focus.	Voluntary
UNTERNEHMENS-VERBAND SÜDWEST	2006	Germany	Promotion of science and research, in particular the scholarly nurture of VAT law and the professional exchange serving this goal.	Voluntary
UmsatzsteuerForum – Association for the scholarly nurture of VAT law	1948			
Member of the working group for data protection	2014	Germany	Employers' association of the metal and electrical industries in Baden-Württemberg.	Voluntary
AmCham American Chamber of Commerce	1950	USA	Represents the interests of companies, business associations, state and regional chambers of commerce, and the U.S. Chamber of Commerce worldwide.	Voluntary
German Association of the Automotive Industry (VDA)	1954	Germany	More than 600 companies that are active in production for the automotive industry within the Federal Republic of Germany are organised in the VDA; as a representative of this key sector of the German economy, it maintains a lively dialogue with industry, the public, policy-makers and customers.	Voluntary

Name	Member/ support since	Sphere of action	Founding groups and main partners	Status
Responsible Supply Chain Initiative (RSCI)	2021	Worldwide	The German Association of the Automotive Industry (VDA) together with 14 other founding members founded the association “Responsible Supply Chain Initiative RSCI”. Together with manufacturers, suppliers and other associations, the VDA is developing a standardised testing mechanism for evaluating the sustainability performance of companies in automotive supply chains.	Voluntary
German Association of the Automotive Industry (VDA) – Research Association Automotive Technology (FAT)	1974	Germany	All German car and commercial vehicle manufacturers and numerous suppliers have joined forces in the FAT to conduct pre-competitive and joint research under the umbrella of the VDA.	Voluntary

Environmental protection

Name	Member/ support since	Sphere of action	Founding groups and main partners	Status
Aluminium Stewardship Initiative	2018	Worldwide	This initiative is a business association of diverse stakeholders from the aluminium industry; it is open to all partners in the aluminium value chain, companies with significant operations in the aluminium sector, and organisations and associations from civil society.	Voluntary
Clean Energy Partnership (CEP)	2002	Germany	CEP is the biggest demonstration project for hydrogen-based mobility in Europe and a lighthouse project of the National Hydrogen and Fuel Cell Technology Innovation Programme (NIP) in the transport sector. The project has received funding from the German Federal Ministry for Digital and Transport since 2008. The CEP partners include technology, oil and energy companies, major vehicle manufacturers and two leading local public transport companies.	Voluntary
Cross-border Mobility for EVs (CROME)	2011	EU	Development and testing of a new mobility concept in the form of a fleet test with electric vehicles in the border region between Germany and France; the aim is to be able to provide answers to questions and recommendations on the European standardisation process for electric mobility infrastructure and services.	Voluntary
e-mobil Baden-Württemberg	2007	Germany	State Agency for Electromobility and Fuel Cell Technology Baden-Württemberg; central contact and advisory office of the state for all matters relating to electromobility.	Voluntary
Großabnehmerverband Energie (German Wholesale Energy Association)	2016	Germany	Association of companies for the exchange of expertise and joint committee work focusing on electricity generation and distribution.	Voluntary
Health Effects Institute	1992	USA	Independent research organisation, supported by the U.S. Environmental Protection Agency and the automotive industry.	Voluntary
IONITY GmbH	2017	Europe	IONITY GmbH is a joint venture between the car manufacturers BMW Group, Mercedes-Benz Group AG, Ford Motor Company and Volkswagen Group with the Audi and Porsche brands; the aim is to build and operate a network of publicly accessible 350-kW high-power charging (HPC) stations for electric cars along the main European transport arteries with the aim of making electric mobility suitable for long-distance travel.	Voluntary

Name	Member/ support since	Sphere of action	Founding groups and main partners	Status
Initiative for Responsible Mining Assurance (IRMA)	2020	Worldwide	Multi-stakeholder initiative with equal participation from six sectors: mining, manufacturing industry, civil society, trade unions, investors, the affected population.	Voluntary
Responsible Minerals Initiative	2018	Worldwide	The initiative was founded by members of the Responsible Business Alliance and the Global e-Sustainability Initiative; members are companies and organisations from more than ten different industries that use raw materials or for which raw materials are part of their core business.	Voluntary
Responsible Steel Initiative	2018	Worldwide	Members are companies from all parts of the steel supply chain as well as civil society groups, associations and other organisations with an interest in a sustainable steel industry.	Voluntary
Climate Pledge	2020	Worldwide	An association of companies with a voluntary commitment to be CO_2-neutral by 2040 – ten years ahead of the 2050 target resolved in the Paris Agreement.	Voluntary
“Industrial Resource Strategies” think tank	2018	Germany	Baden-Württemberg – Dialogue between industry and politics on resource efficiency and use.	Voluntary
Transform to Net Zero	2020	Worldwide	Initiative by Microsoft – brings together renowned companies to promote the decarbonisation of the economy and society.	Voluntary
World Wide Fund for Nature (WWF) Germany	1974	Germany	International nature conservation and environmental protection organisation.	Voluntary

Society and social welfare

Name	Member/ support since	Sphere of action	Founding groups and main partners	Status
aba Arbeitsgemeinschaft für betriebliche Altersversorgung (Working Group for Company Pension Schemes)	2010	Germany	German professional association for all issues relating to company pension schemes in the private and public sectors.	Voluntary
Atlantik-Brücke	2001	Germany, USA	500 members from the business, political, science and media sectors.	Voluntary
AWV Arbeitsgemeinschaft für wirtschaftliche Verwaltung (Working group for economic administration)	1966	Germany	Non-profit organisation for promoting communication between business, scientists and the public authorities in order to make administrative processes more efficient.	Voluntary
Automotive Industry Dialogue of Germany’s National Action Plan on Business and Human Rights (NAP)	2020	Germany	Against the backdrop of the National Action Plan on Business and Human Rights (NAP) adopted by the German government in 2016, the Federal Ministry of Labour and Social Affairs (BMAS) has been conducting NAP industry dialogues – including for the automotive industry since 2020. The participants mainly comprise companies, associations and non-governmental organisations.	Voluntary
Charta der Vielfalt (Diversity Charter)	2011	Germany	The company is a founding member of the Diversity Charter.	Voluntary
Deutsch-Amerikanisches Zentrum James-F.-Byrnes-Institut (DAZ), Stuttgart (German-American Center James F. Byrnes Institute)	2000	Germany	Members of the association Deutsch-Amerikanisches Zentrum/James-F.-Byrnes-Institut include official institutions such as the State of Baden-Württemberg, the City of Stuttgart, the universities of Hohenheim and Stuttgart, various colleges, German-American organisations, the U.S. embassy in Berlin, corporate members and private individuals.	Voluntary

Name	Member/ support since	Sphere of action	Founding groups and main partners	Status
German Association for Foreign Policy (DGAP)	1955	Germany	Membership is offered to individuals, diplomatic representatives, companies and the media.	Voluntary
Deutsche Gesellschaft für Recht und Informatik German Society for Law and Informatics (DGRI)	1988	Germany	Examines the legal, economic and administrative preconditions and consequences of information technology.	Voluntary
Deutsches Netzwerk Wirtschaftsethik (DNWE) incl. Forum Compliance & Integrity (German Network Business Ethics incl. Forum Compliance & Integrity)	1990	Germany	More than 600 members; DNWE is the German branch of the European Business Ethics Network (EBEN).	Voluntary
EWMD (European Women's Management Development)	2006	Europe	Network for women in management positions.	Voluntary
Gesellschaft für Datenschutz und Datensicherheit e.V. (GDD) (Society for Data Protection and Data Security)	1992	Germany	Non-profit organisation for the promotion of data protection and data security with over 2000 members (mostly companies).	Voluntary
Friends of Business Administration at the University of Stuttgart	2021	Germany	Non-profit organisation to support the Business Management Institute of the University of Stuttgart.	Voluntary
Global Summit of Women	2007	Worldwide	Global network of women in leadership positions in business, politics and science.	Voluntary
Responsible Mica Initiative	2020	Worldwide	The initiative was founded at the constituent general assembly on 31 January 2017 with 20 founding members. The NGO Terre des Hommes played a particularly important role. The initiative now has more than 80 members from a variety of industries that produce or use mica, as well as from industrial associations, civic groups and non-governmental organisations.	Voluntary
Agora Council Transport Transformation	2020	Germany	The members of the council represent organisations that are important for the success of the transport transformation in Germany, from federal ministries and parliamentary groups to companies, trade unions, environmental and consumer associations	Voluntary
Transatlantic Policy Network (TPN)	1993	Germany, USA	Non-partisan group of representatives from EU and US politics, society, think tanks and science.	Voluntary
Transparency International Deutschland	2000	Germany	Transparency Germany was founded in 1993 and has over 1,300 members who are organised on a voluntary basis in working and regional groups. Corporate members are leading German companies, municipalities and organisations from various sectors.	Voluntary
Wittenberg-Zentrum für Globale Ethik (Wittenberg Center for Global Ethics)	2004	Worldwide	An initiative launched by Andrew Young (former U.S. ambassador to the UN) and Hans-Dietrich Genscher (former German Foreign Minister), supported by members of the political world, scientists, religious organisations and companies.	Voluntary
Catena-X	2021	Germany	Catena-X is working on an open and interoperable data ecosystem with the aim of creating transparency and providing an environment for the creation, operation and sharing of data chains along the automotive value chain.	Voluntary
FCI – Forum Compliance and Integrity	2012	Germany	The Forum Compliance and Integrity promotes recognised standards of good compliance and integrity management systems in companies.	Voluntary

Traffic safety

Name	Member/ support since	Sphere of action	Founding groups and main partners	Status
German Road Safety Council	1969	Germany	Approx. 220 members, incl. the federal and state ministries responsible for transport, statutory accident insurance institutions, German Road Safety Organisation (Deutsche Verkehrswacht), automobile clubs, automobile manufacturers, passenger transport companies, business associations and trade unions, churches and other institutions.	Voluntary
Deutsches Verkehrsforum (German Transport Forum Association)	1992	Germany	More than 160 members; the 21 members of the executive committee are representatives from the business world.	Voluntary
IGLAD	2010	Worldwide	Initiative for the global harmonisation of accident data. Founding groups Daimler, ACEA and various research institutes.	Voluntary

Glossary entries

Waste hierarchy
A waste hierarchy defines the various approaches for handling waste and prioritises them. The most important measures are those that are especially environmentally compatible. The EU's Waste Framework Directive defines the following five hierarchy levels:

1. Prevention
2. Preparing for reuse
3. Recycling
4. Other recovery, especially incineration for the generation of energy and use as a filling material
5. Disposal

Active and passive safety of vehicles
"Active safety" in vehicles includes, for example, emergency braking systems in a vehicle that help to reduce the severity of accidents or even to prevent them entirely. "Passive safety", on the other hand, refers to measures that take effect during or after a collision in order to mitigate the accident's consequences.

Assignees
Employees that are on international assignments. This includes employees who come from abroad and are on international assignment in Germany, employees from Germany who are on international assignments abroad, and employees who come from a country outside of Germany and are on international assignments in another country outside of Germany.

Battery electric vehicles (BEV)
A battery electric vehicle (BEV) is a car that is solely equipped with an electric motor and draws its energy from a traction battery installed in the vehicle, which is charged via the power transmission network.

Car-to-X communication
Car-to-X communication is based on technologies that enable vehicles to exchange information in real time with each other and with other systems involved in the transport infrastructure (e.g. via Wi-Fi or mobile communications).

CDP
The non-governmental organisation CDP (formerly the Carbon Disclosure Project) supports companies and municipalities in reporting environmental data. As part of an annual survey, CDP collects data on CO_2 emissions, climate risks as well as reduction targets and strategies. The project has resulted in one of the world's largest databases for climate-related information.

Completely Knocked Down (CKD)
In CKD production, prefabricated and separately delivered modules and components of a vehicle are assembled at their destination.

Corporate Average Fuel Economy (CAFE) standards
Corporate Average Fuel Economy (CAFE) refers to a legally stipulated minimum for the average fuel economy of a vehicle fleet in the United States. Automakers have to achieve the CAFE standards for their fleets of cars and light trucks in order to be able to sell vehicles in the United States. The limits are recalculated each year.

Corporate Citizenship
Corporate citizenship refers to the social commitment of companies that goes beyond their actual business activities. This includes, for example, donations and sponsoring activities, the foundations' work or the voluntary commitment of the employees to charitable causes (Corporate Volunteering).

Data compliance
Data compliance is a sub-area of data governance and focuses on the protection of personal data (data protection).

Deep learning
Another subset of machine learning is deep learning (DL). It enables finding complex patterns in very large data volumes by means of (deep) neuronal networks.

Digital twin
A digital twin is a concept for the development of Industry 4.0. It models the products, machines and their components using digital tools, thus mapping the physical systems of a real factory and enabling their simulation, control and improvement.

Digital ecosystem
The term digital ecosystem refers to a socio-technical system which, like a biological ecosystem, provides complex services for the benefit of numerous system partners. Those involved include internal company units, IT systems, as well as customers, suppliers and third parties.

Direct reduction plant (DRI plant)
In combination with a smelter plant (e.g. an electric arc furnace), the DRI plant can replace the blast furnace as the central unit in the steel industry. The blast furnace is one of the largest CO_2 emitters across all industries. Unlike these furnaces, direct reduction plants do not require coking coal. Today's units mainly use natural gas and therefore only emit roughly half as much CO_2, depending on the interaction with a smelting unit and the proportion of primary material.

Due diligence
In general, due diligence procedures involve carefully examining, analysing and evaluating a company. Human rights due diligence encompasses measures that a company employs in order to detect and counteract human rights-related risks in its business operations, its supply chain and the services it uses.

EKOenergy
The EKOenergy eco label is an internationally recognised quality mark for electricity, gas, heating and cooling from renewable energy sources.

Electrolysis
Electrolysis involves the breaking down of a chemical compound using an electric current in order to separate the substances contained in the compound.

Electric mobility ecosystem
The term electromobilty ecosystem refers to a socio-technical system which, like a biological ecosystem, provides mutually complementary services for the benefit of numerous system partners. This includes, for example, the provision of electric vehicles as well as energy, charging infrastructure and charging services right on up to home energy storage. Those involved include internal company units, IT systems, customers, as well as suppliers and third parties.

Remuneration framework agreement (ERA)
The remuneration framework agreement (ERA) is the collective bargaining agreement for the standardised regulation of employee remuneration in Germany's metal and electrical industries.

Environmental Protection Agency (EPA)
The Environmental Protection Agency (EPA) is an independent executive agency of the United States federal government tasked with environmental protection matters and the protection of human health.

Ethics by design
The “ethics by design” principle refers to the consideration of ethical questions during the development of products - for example, those involving the use of artificial intelligence (AI).

EUA certificates
EU Allowances (EUAs) are a core component of the EU emissions trading system. One EUA entitles the holder to emit 1 tonne of carbon dioxide equivalent (CO_2e) in a given period. The EUAs are issued by the EU member states to the CO_2 emitters subject to emissions trading (plant operators) and can be traded freely. At the same time, there is the option of acquiring credits from international climate protection projects so that these projects are financially supported. The tradable quantities are represented by certificates that are verified and deposited in the EU Union Registry.

European Union Emissions Trading System (EU ETS)
The European Union Emissions Trading System is a climate-protection tool for the reduction of greenhouse gas emissions. A government-stipulated upper limit states how many tonnes of CO_2 may be emitted in total. A company needs an emission allowance for every tonne of CO_2. These can be freely traded on the market. However, the number of emission allowances is limited. This results in a price for CO_2 emissions in order to give companies an incentive to reduce their emissions.

EU Taxonomy
The EU Taxonomy (also known as the Sustainable Finance Taxonomy) is a classification system developed by the European Commission with the aim of creating a standardised understanding of the sustainability of economic activities in the EU for the first time. The aim is to assess business activities throughout the EU according to their sustainability in order to facilitate corresponding financial decisions.

Vehicle class N1
Vehicle class N1 includes motor vehicles with a permissible gross mass of up to 3.5 tonnes and at least four wheels, which are built for the transport of goods or for a special other purpose.

Vehicle safety
Vehicle safety covers the design, construction, equipment and regulation of motor vehicles in order to minimise the occurrence and consequences of road accidents. Modern safety and assistance systems ensure increased vehicle safety. A distinction is made between active and passive vehicle safety.

Rated thermal input
The rated thermal input stands for the thermal energy that can be fed to a furnace system in continuous operation by burning fuel. After energy losses are subtracted, the result shows the thermal output of the respective heating system.

FOSS
Free and Open Source Software (FOSS) is software whose source code is publicly available and therefore offers many developers the opportunity to develop customised solutions. The prerequisite is compliance with the relevant licences, which require the open source principle for further development. Players and resources in this area can be seen in their multiplicity as an “ecosystem”, which evolves dynamically and in a self-directed manner.

Management levels
Management levels one to five are used to classify managers in the organisational hierarchy of the Mercedes-Benz Group. Level one is the management level directly below the Management Board and level five is that of the forepersons.

Mica mines
As an important raw material for effect pigments, mica is frequently used in the automotive industry. Due to social and economic factors, there is often a risk of poverty in the mining regions, with associated risks of human rights violations and poor working conditions. Social commitment in these regions can strengthen local people economically.

Global Reporting Initiative (GRI)
The non-profit foundation Global Reporting Initiative (GRI) supports organisations worldwide in sustainability reporting and provides, among other things, guidelines for this purpose. These GRI standards cover relevant areas of corporate sustainability (ESG - Environment, Social, Governance).

Gold Standard
The Gold Standard is a high-end quality and certification standard for CO_2 compensation projects. In addition to avoiding or storing CO_2, Gold Standard projects also contribute to sustainable ecological and social development in the project environment. The Gold Standard was developed under the direction of the WWF and with the assistance of the German Ministry of the Environment.

Greenhouse Gas (GHG) Protocol
The Greenhouse Gas Protocol (or GHG Protocol for short) is currently the most commonly used series of accounting standards for greenhouse gas emissions.

Base load
With regard to power supply, the base load is the minimum amount of electric power that has to be generated in order to ensure grid stability.

Hydrometallurgy
Technology for metal extraction from aqueous metal salt solutions.

Information security
Information security aims to protect all types of information with the help of technical and organisational measures, regardless of whether it is digital or analogue and whether it originates from a natural person or not. Data protection deals exclusively with personal data and applies information security measures in addition to legal regulations.

Initiative for Responsible Mining Assurance (IRMA)
The Initiative for Responsible Mining Assurance (IRMA) was created in response to the global demand for socially acceptable and environmentally compatible mining. IRMA provides independent inspections and certifications according to a comprehensive standard for mined raw materials. The standard covers the entire spectrum of risks associated with the effects of industrial mining.

Intergovernmental Panel on Climate Change (IPCC) – SSP2-4.5 and SSP5-8.5
Shared Socioeconomic Pathways (SSPs) describe different economic and social development paths that will lead to different greenhouse gas concentrations in the atmosphere in the future. The SSP5-8.5 climate scenario is based on the increased use of fossil fuels. Greenhouse gas concentrations increase accordingly sharply. Scenario SSP2-4.5, on the other hand, represents a middle path.

International Energy Agency (IEA)
The International Energy Agency (IEA) is a cooperation platform in the area of research, development, market launch and use of energy technologies.

Catalytic converter
The catalytic converter of a vehicle (or catalyst for short) serves to purify the exhaust gas in vehicles with a combustion engine. They can greatly reduce pollutant emissions.

Cathode
The battery cell of a car consists of the positive electrode, the cathode, and the negative electrode, the anode, which are separated by an insulating layer, the separator, and a medium in which the electrically charged parts (ions) move between the cathode and anode. In a lithium-ion battery, the anode consists of lithium with cobalt, phosphate or nickel, while the cathode is coated with graphite.

Circular economy
The circular economy is an approach in which existing materials and products are used for as long as possible, repaired, reused or recycled in order to extend their lifecycle. This minimises waste and the need for primary raw materials. The circular economy is seen as a counter-model to linear economies, in which materials and products are often only used once, and focuses on the subsequent recovery of processed materials right from the design stage.

Artificial intelligence (AI)
The broad term artificial intelligence (AI) is today often used in a narrower sense to mean the latest advances in the area of machine learning (ML). “ML” represents a subset of the AI methods and is based on mathematical methods that find complex patterns in data volumes, for example.

Load case
A load case refers to the configuration of a crash test. This includes the number, type and positioning of the crash test dummies on board the vehicle as well as the parameters of the collision configuration, e.g. type of collision, velocity and impact angle.

Peak loads
Peak loads occur in power grids, for example, when energy demand suddenly increases steeply for a short period of time. In order to meet this demand and ensure that supply is uninterrupted, more electricity has to be fed into the grid at short notice. This is also known as peak load levelling and can be achieved using battery storage or pumped-storage power plants, for example.

Airflow volume
The airflow volume refers to the volume of air moving through a cross-section within a defined period of time and is usually measured in m^3/s or m^3/h.

Machine learning (ML)
Machine learning (ML) is a subset of the AI methods and is based on mathematical processes that find complex patterns in data sets, for example.

Mass balance approach
In order to reduce greenhouse gas emissions and save primary raw materials, the chemical industry increasingly uses recycled or bio-based raw materials without impairing the product quality and properties as a result. This not only improves the climate footprint of the end products, but also allows using existing machinery and processes as usual. Using the mass balance approach, these more sustainable raw materials introduced at the start of production are mathematically allocated to the end products.

Human rights due diligence
Human rights due diligence refers to the obligations that a company has to identify and counteract potential negative impacts of its business activities on human rights.

Merger and acquisition projects
A merger is the union of two or more companies with the aim of operating more efficiently and/or improving the joint market position. The overarching term mergers and acquisitions (M&A) also includes the purchase of companies in the consideration.

Multimodal
People are multimodal when they use different modes of transport: For example, someone takes the bus to work in the morning and uses a hire car for the journey to the DIY store in the afternoon.

Net Zero Emissions by 2050 Scenario (NZE)
The Net Zero Emissions by 2050 Scenario (NZE) is a normative IEA scenario that sets out a pathway for the global energy sector to achieve net zero CO_2 emissions by 2050, with advanced economies achieving net zero emissions before others. It is in accordance with limiting global warming to 1.5°C without or with just slightly exceeding the temperature (with a probability of 50%).

Non-governmental organisations (NGOs)
A non-governmental organisation (NGO) is a civil society interest group and therefore a non-governmental or non-profit organisation that is committed to a specific purpose.

OECD
Based in Paris, the Organisation for Economic Co-operation and Development (OECD) is an international organisation encompassing 38 member countries that are committed to democracy and a market economy.

Off-cycle technologies
Off-cycle technologies are technologies for real CO_2 emission reduction, but their effect cannot be measured in the standard cycle.

Partner protection
Partner protection refers to the protection of occupants in the respective other vehicle during traffic accidents that involve two vehicles.

Platinum-group metals (PMG)
Platinum (Pt), palladium (Pd) and rhodium (Rh) belong to the platinum-group metals alongside ruthenium (Ru), osmium (Os) and iridium (Ir). The first three mentioned are primarily used for the production of catalytic converters. The common naming of these elements is mainly based on similar chemical properties. For example, these metals prefer to form compounds with iron, nickel, copper and sulphur, as opposed to oxygen.

plug-in hybrid (PHEV)
A plug-in hybrid electric vehicle (PHEV) has a hybrid drive system whose battery can be charged either by a combustion engine or by the power grid.

Post-consumer recyclate (PCR)
The term post-consumer recyclate (PCR) describes the origin of the material that has been processed into recycled material. PCR is recovered from waste from households and other end customers, but also from industry or trades at the end of its useful life. In contrast, post-industrial recyclate (PIR) consists of industrial waste from the manufacture of components, for example.

Power purchase agreements (PPAs)
A power purchase agreement describes a special, most often long-term power supply contract concluded between a major buyer, for example a company – and an independent producer of electricity from renewable energies – the independent power producer (IPP). This means that prices and scope of delivery can be agreed individually and independently, which guarantees customers a stable power supply and costs.

Powertrain network
The Powertrain network stands for locations that are responsible for the production of engines, transmissions, axles and components (major assemblies plants). These include the Untertürkheim, Hamburg and Berlin locations.

Privacy by design
Privacy by design is data protection by means of technology design. The basic principle of the approach is that personal data can be best protected if software and hardware are designed and developed to comply with data protection regulations from the very start.

Pyrolysis
Pyrolysis is a thermochemical conversion process in which organic compounds are broken down at high temperatures. This enables converting biomass or plastic waste into high-order products such as fuels or chemicals.

Real Driving Emissions (RDE)
In the Real Driving Emissions (RDE) test procedure, a vehicle equipped with measuring devices on the trailer coupling drives on public roads to record emissions of pollutants such as nitrogen oxides (NO_X) and particulate matter. RDE tests are intended to ensure that vehicles also comply with the emission standards in real traffic. In contrast to laboratory tests, RDE tests do not follow a fixed driving cycle. The conditions – acceleration, outside temperature, terrain profile, payload and traffic situation – vary between test runs. Nevertheless, a vehicle may not exceed the respective pollutant limit.

Rights holders
From a human rights perspective, rights holders are all natural persons, as every human being is entitled to human rights. In this respect, everyone can be affected by human rights violations.

High-voltage disconnect device
A high-voltage disconnect device is a safety precaution in electric vehicles that deactivates high-voltage systems. When this system is activated, the residual voltage outside of the battery in a high-voltage system is automatically brought to a non-critical level within a few seconds.

Recyclates
Recyclates are secondary raw materials that are recovered during the recycling of plastics that were disposed of at least once previously. They are subsequently used to manufacture new products.

SAE Level/automated and autonomous driving
Automated driving functions help drivers with their driving tasks – or perform them entirely on their own. There are five different levels of automation: assisted (SAE Level 1), semi-automated (SAE Level 2), conditionally automated (SAE Level 3), fully automated (SAE Level 4) and driverless (SAE Level 5). The degree of automation increases with each level and the drivers' responsibility for the driving task diminishes accordingly. In Germany, the Mercedes-Benz Group is strictly guided by the terms of the VDA.

Sales business partner due diligence process
Sales business partner due diligence is part of the Mercedes-Benz Group's Business Partner Integrity Management process. The aim of the risk-oriented sales business partner due diligence is to ensure that the existing and potential new sales partners of the Mercedes-Benz Group comply with the law and share ethical and corporate values. As an important part of business partner selection, the process is designed to actively protect the Group's reputation, brands and assets.

Sustainability Accounting Standards Board (SASB)
The Sustainability Accounting Standards Board (SASB) is part of the Value Reporting Foundation, a global non-profit organisation that offers a comprehensive range of resources. These are designed to help companies and investors develop a common understanding of how a company's value is created, maintained or reduced over time. The SASB standards enable companies to identify, manage and communicate financially relevant sustainability information to investors.

Malware
Malware or malicious code or malware refers to computer programs developed to carry out damaging tasks such as stealing passwords or other sensitive data.

Sled testing
Sled tests are crash tests in which a vehicle does not collide with a wall or other object. Instead, the vehicle body shell with the components to be tested are mounted on a sled that is then suddenly braked. As a result, there is no actual collision.

Science Based Targets initiative (SBTi)
The Science Based Targets initiative (SBTI) is a joint initiative of the Carbon Disclosure Project (CDP), the UN Global Compact, the World Resources Institute and the World Wildlife Fund (WWF). Its aim is to encourage companies to set targets for reducing greenhouse gas emissions that are compatible with the decarbonisation called for by science in order to limit warming to less than 1.5 °C/2 °C compared to pre-industrial temperatures.

Safe road traffic
Safe road traffic is the result of a wide range of measures, including but not limited to vehicle safety through technology. It also depends on road users learning to behave more safely through training and information.

STEM
STEM is an abbreviation of the initial letters of certain fields of education or study subjects and is a collective term for science, technology, engineering and mathamatics.

STOP principle
The STOP principle describes the order of priority that an employer must observe when defining and implementing protective measures. This applies to health hazards as well as fire and explosion hazards. STOP stands for substitution as well as technical, organisational and personal measures.

Sustainable Aviation Fuel (SAF)
Sustainable aviation fuels are fuels for aviation that are not based on fossil raw materials, for example biofuels.

Tank-to-wheel
Unlike the more comprehensive well-to-wheel assessment, tank-to-wheel assessments take into account the chain of cause and effect from the time energy (e.g. petrol or electricity) is put into a vehicle until it is converted into kinetic energy during driving.

Task Force on Climate-related Financial Disclosures (TCFD)
The Task Force on Climate-related Financial Disclosures (TCFD) is a corporate reporting initiative that was created by the Financial Stability Board. Its long-term goal is to incorporate climate-related opportunities and risks into companies' business and financial reports. To this end, it published recommendations in 2017 on how businesses should conduct uniform climate reporting.

Technology demonstrater
In the automotive industry, a technology platform is a concept vehicle that exemplifies innovative technologies using a near-production vehicle.

Partial load
Partial load refers to a machine's mean operating condition between full load (100% of possible output) and no load (the machine is switched off).

Climate Pledge
The Climate Pledge is a voluntary commitment by companies to fulfil the goals of the Paris Agreement on climate change ten years earlier than prescribed. The companies which have taken this pledge promise to make their business CO_2-neutral by 2040. The Climate Pledge was launched by Amazon and Global Optimism in 2020.

Tier 1
Tier 1 refers to the first upstream stage of the supply chain, i.e. the direct suppliers. The other stages of the value chain (all the sub-suppliers) are referred to as tier 2 to tier n suppliers.

Transform to Net Zero
Transform to Net Zero is a corporate initiative launched by Microsoft. In addition to the Mercedes-Benz Group and Microsoft, eight other renowned, globally active companies are involved. Its goal is to improve the climate policy framework for the decarbonisation of the economy and society worldwide.

Turbo-compressor
A turbo-compressor is a machine that can compress air, which is then used for example to drive machines in industrial production. Unlike “normal” compressors, turbo-compressors are designed like a turbine and have aerodynamic properties. They are particularly energy-efficient as a result.

UN Global Compact (UNGC)
As an initiative of the United Nations (UN), the UN Global Compact provides a framework for a more social and ecological shaping of globalisation. Companies can realise and report on this target vision with suitable activities.

UN Principles for Responsible Investment (PRI)
The six UN Principles for Responsible Investment were initiated by an international investor network. Its aim is to better understand the impact of investment activities on ESG issues and to support the signatories in taking ESG criteria into account in their investment decisions.

Traffic safety
Traffic safety is an umbrella term and describes the various components that ensure that people and goods can be moved safely. Vehicle safety, safe road traffic and the safe use of infrastructure and technologies must therefore work together to ensure traffic safety.

Well-to-tank
A well-to-tank assessment considers everything from the generation of the primary energy (oil, natural gas, electricity etc.) to its provision for use in the vehicle.

Well-to-wheel (WtW)
A well-to-wheel assessment. In addition to driving, this assessment also takes into account the production of the energy carrier, such as the power generation or the production of petrol.

WLTP-TML/ WLTP-TMH
The suffixes “TML” and “TMH” refer to the range of possible assessments of a vehicle in the WLTP measurement standard. The values for aerodynamics, rolling resistance and vehicle mass change depending on the optional equipment used. These circumstances are taken into account in the WLTP cycle. TML (test mass low) stands for the most favourable and TMH (test mass high) for the least favourable case.

Temporary staff
These are staff who are not employees, but whose work and/or workplace is nevertheless controlled by the organisation. In German, this form of temporary work is usually referred to as “Arbeitnehmerüberlassung” (ANÜ) or personnel leasing.

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