

Business Partner Standards



Doing the Right Thing Together

Mercedes-Benz



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“Compliance and integrity are key elements of business life. We expect this attitude not only from all our employees but also from our partners.”

Renata Jungo Brüngger, Member of the Board of Management of Mercedes-Benz Group AG for Integrity, Governance & Sustainability

01 Introduction



Sustainability, environment, and climate protection are among the most pressing issues of our time. At Mercedes-Benz Group¹, we are committed to addressing these challenges.

Through our actions we aim to set standards for sustainable mobility of tomorrow. As a founding member of the Global Compact of the United Nations we are committed to respecting human rights, respecting the rights of employees and their representatives, protecting the environment, enabling fair competition and fighting against corruption.

This applies to our interactions among ourselves as well as with our customers and business partners². Integrity is what drives our sustainable success and contributes to a well-functioning society. Acting with integrity is particularly important in times of change.

We have formulated our expectations for collaboration with our business partners in these Business Partner Standards. They are derived from our [↗ Integrity Code](#) and our [↗ Principles of Social Responsibility and Human Rights](#). Adherence to these standards is a prerequisite for successful collaboration with us.

Regardless of a legally binding agreement concerning these standards, we expect each of our business partners to acknowledge and adhere to these standards on their own accord.

¹ The term "Mercedes-Benz Group" refers to Mercedes-Benz Group AG and controlled Group companies in the sense of s. 15 of the German Joint Stock Corporation Act.

² Business partners, as defined within these Business Partner Standards, refer to natural or legal persons with whom Mercedes-Benz Group maintains or intends to establish business relationships. For the sake of linguistic simplification, these standards use the masculine form solely for natural persons. However, it is understood that all terms used inherently encompass all genders and identities.

02 What We Stand For: Our Understanding of Integrity and Our Corporate Principles



➤ **Integrity** is highly valued within Mercedes-Benz Group and shapes how we perceive ourselves.

Integrity is highly valued within Mercedes-Benz Group and shapes how we perceive ourselves. We also take responsibility in situations for which there are no clear rules or in which they can be interpreted in different ways.

For us, integrity means doing the right thing. That means: We follow internal and external rules and act according to our corporate principles while listening to our inner compass.

We orient ourselves using our **five corporate principles**, which will also serve our business partners as an important guide.

Our five corporate principles

We are profitable and committed to people and the environment.

We produce fascinating vehicles and offer innovative mobility services in order to be successful and profitable. We place significant importance on responsibly and gently managing the environment and our resources. Our aspiration is to strike a balance between profitability, people and the environment.

We act responsibly and respect the rules.

At the Mercedes-Benz Group, we take responsibility for our actions and decisions and we also follow the rules. This means we comply with laws as well as internal and external rules, agreements with employee representatives, voluntary commitments and these Business Partner Standards.

We address issues openly and stand for transparency.

The foundations for our actions and behavior – internally and externally – are honesty, openness and transparency. This enables us to establish trust.

Fairness and respect are the foundation of our collaboration.

In the Mercedes-Benz Group, we treat one another with fairness and respect. Team spirit, mutual trust and a respectful attitude are important to us.

We practice diversity.

Our strength lies in the differences between our employees, which are a key factor in our success. Our corporate culture is characterized by respect, tolerance and team spirit.

03 How We Work Together: Our Behavior Guidelines



Principles for working together

Choosing business partners

Mercedes-Benz Group expects its business partners to comply with contracts and the applicable laws and regulations and to adhere to these Business Partner Standards. For us, it is essential that not only our conduct, but also that of our business partners, be guided by these standards.

Before entering into any contracts with new business partners, and during the business relationship, we perform a **transparent, risk-based integrity check**.

We expect our business partners to communicate the legal and contractual requirements relevant to the business relationship between Mercedes-Benz Group and its partners to their employees and third parties involved,

if they are affiliated with our business relationship. They must also determine the requirements and ensure compliance.

This is an essential requirement of the business relationship.

We examine each case individually to determine what consequences are suitable, necessary and appropriate.

We investigate integrity concerns and potential violations and take any appropriate action that is required.

We also clarify these issues **together** with our business partner. If required we will take legal action that may even include termination of the business relationship.

Diversity and equal opportunity

At the Mercedes-Benz Group, we appreciate the differences between our employees. Their diversity is the driving force behind our ideas, renewal and ingenuity. This is why **diversity and inclusion** are part of our corporate strategy, which addresses the conscientious leveraging of diversity and individuality. As we are a global company, this is crucial to our success.

We ensure that by creating a culture of mutual **respect and appreciation**. Any form of discrimination, harassment, unfair conduct or bullying goes against who we are and has no place in the Mercedes-Benz Group.

We also expect our business partners to respect diversity and equal opportunity in employment and prohibit any form of discrimination or bullying.

Discrimination of any kind is not tolerated.

We do not discriminate against Gender or gender identity, Race, origin or nationality, Social background, Religion or ideology, Sexual orientation, Physical and/or mental abilities, Disability, Age, Political, social or union affiliation.

Health and safety

The Mercedes-Benz Group ensures the health and safety of its employees in the workplace at a minimum in line with the valid **national provisions**. One of our main approaches to occupational health and safety is systematic prevention. In this way, we support continuous advancements in improving working conditions with the aim of having no work-related accidents or illnesses.

We also expect the workplaces of our business partners to strive to meet this standard: Work should be organized to enable all employees to perform their jobs **safely and without endangering their health**. This includes occupational health and safety as well as ergonomic aspects and health promotion in the workplace.

Conflicts of interest

Personal or own financial interests may not influence business decisions. For that reason, we at the Mercedes-Benz Group avoid situations in which personal or private financial interests conflict with the interests of our company or business partners. We expect our business partners to similarly **avoid conflicts of interest**.

Information security and business secrets

We treat information responsibly because it is one of our most important assets. Information security and data backups are therefore extremely important to the Mercedes-Benz Group and our business partners.

Regardless of whether we are meeting with business partners or attending private events, we make sure that we do **not disclose information about the Mercedes-Benz Group** that gives people outside of the Mercedes-Benz Group unauthorized insight into our business. We take **responsibility for how we handle information** by applying general conditions for information security.

Our competitive edge is often derived from safeguarding business secrets such as inventions, new products,

or vehicle concepts. Consequently, we place significant emphasis on protecting this information and expect the same from our business partners. Both our employees and business partners are obligated to adhere to laws and internal regulations concerning the safeguarding of business secrets, respecting the proprietary information of competitors, other business partners, and customers. Most notably, **business secrets** – for example, inventions, new products and vehicle designs – secure our advantage over our competitors. We therefore protect that information to a particularly high standard and expect our business partners to do the same. Our employees and our partners are required to comply with laws and applicable Mercedes-Benz corporate policies for protecting business secrets and respect the business secrets of competitors, other business partners and customers.

Compliance with Laws

➤ Compliance with product requirements

Together with our business partners, we aim to shape the future of mobility at an outstanding level. That is why the safety and quality of our products always has a high priority for us. Throughout the product life cycle, we ensure the legal and regulatory conformity of our processes and products.

When doing so, we particularly take into account the fundamental spirit of the relevant laws and regulations as well as the state of the art in science and technology throughout the life cycle.

We also expect this from our business partners: all products and services must fulfill the **contractually agreed criteria** at the time of delivery. Similarly, we consider it our responsibility, along with our business

partners, to appropriately inform our customers about the use and **potential risks** associated with our products.

Regarding unclear legal frameworks, we have established structures and processes to guide our employees, and we expect the same from our business partners.

If there are potential risks with the interpretation of any laws or regulations, our business partners are required to notify us in a **direct and open** manner about them.

We also expect our business partners to notify us immediately if they **suspect violations** of legal requirements or regulations, especially when it comes to matters of product safety, regulatory conformity, or emissions.

Tax and customs regulations

The Mercedes-Benz Group ensures strict adherence to all applicable laws concerning the import and export of goods, services and information, as well as compliance with all locally applicable tax laws. Compliance with these laws is also mandatory for our business partners.

Antitrust law

Well-functioning and free competition is a fundamental pillar of our social and economic system. It creates growth and employment and ensures that as consumers we can all buy modern products at reasonable prices.

The Mercedes-Benz Group and its business partners are committed to ensure **fair competition**. Compliance with laws that protect and promote competition is the basis for trusting partnerships and collaboration with us. Our business partners are required to obey antitrust laws and are prohibited from engaging in any measures that hinder free competition.

Export control

For global companies like the Mercedes-Benz Group and for all companies that are business partners with us, strict compliance with **export control** under foreign trade legislation is essential. These must always be observed when exporting both tangible and intangible goods (such as software), as well as services.

Fundamental restrictions are placed on military goods and civilian products that can also be used for military purposes (dual use). Certain goods and countries fall under special restrictions, such as arms or luxury goods embargoes and sanctions.

Economic sanctions and money laundering prevention

The Mercedes-Benz Group and its business partners adhere to the requirements of applicable sanction regimes and **act in accordance with the legal standards** on the prevention of money laundering and on combating terrorist financing.

Violations of sanctions as well as anti-money laundering laws can result in fines, imprisonment, reputational risks, the freezing of assets or cause companies to be placed on sanction lists themselves.

The Mercedes-Benz Group expects its business partners to have adequate risk management processes in place for ensuring compliance with relevant laws and regulations.

Intellectual property protection

The Mercedes-Benz Group and its business partners observe all national and international laws in effect to protect intellectual property. This also includes holding all of the required rights of usage and licenses in order to **avoid the violation of IP rights**. Intellectual property includes protective rights that can be registered (such as patents, trademarks, designs), domains, copyright and fair trading requirements such as protection against imitation.

Insider trading legislation and ad-hoc announcements

Collaboration between the Mercedes-Benz Group and its business partners can result in the production of **important information for the capital market**. If that information could influence the market price of securities issued by the Mercedes-Benz Group or the respective business partner (e.g. Mercedes-Benz Group stock or shares of the business partner), **then you are prohibited from sharing that information without authorization or using it for securities transactions**. This rule applies as long as the information has not been published in the manner prescribed by law (ad-hoc announcement).

➤ Corruption prevention

At the Mercedes-Benz Group, we have a clear understanding of what kinds of business we will and will not do. We do not give or take bribes. We impress our business partners and customers with our products and services and not through undue influence. We make decisions for objective and verifiable reasons and **avoid even the mere appearance of being under undue influence**. The Mercedes-Benz Group does not tolerate any corrupt practices and takes action against them. We expect our business partners and their employees to do the same.

Handling data

Digitization and the transformation to sustainable mobility are creating new work processes, business areas and mobility concepts. The Mercedes-Benz Group stands for sustainable, data-based business models. We create trust among our employees, business partners and customers by respecting **data protection as a personal right** in our products and processes.

We process and use personal data only to the extent permitted by laws, regulations, and our own principles (➤ [Data Vision](#)). While data protection laws govern the handling of personal data, the principles of our Data Vision go beyond that, describing the responsible and legally compliant handling of data overall, even if it is not personal.

We expect our business partners to also comply with the applicable laws and regulations governing data protection and data security, as well as handle data responsibly and transparently.

Artificial intelligence

To sustainably leverage the opportunities afforded by artificial intelligence (AI) to our benefit, we follow our [AI principles](#). These include **ethical and legal principles** for the development and use of AI.

Responsible use: We develop AI responsibly. We realize the opportunities of AI and harmonize its effects with our corporate values.

Explainability: We are committed to a high level of transparency, thereby promoting trust in AI. To achieve this, we strive for explainable AI.

Protection of privacy: We respect privacy and consider privacy protection from the design phase of AI systems onwards. We support privacy enhancing technologies.

Safety and reliability: We develop and test our AI technologies conscientiously and according to state-of-the-art science and technology. We take adequate measures to develop secure and reliable AI.

We expect our business partners who develop and/or use AI systems to adhere to our AI principles and ensure **responsible use** of AI.

Sustainability, Social Responsibility and Respect for Human Rights

Respect for Human Rights

The Mercedes-Benz Group and its business partners respect and support the internationally recognized human rights as set forth in the United Nations Global Compact, the International Bill of Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO) and the United Nations Guiding Principles on Business and Human Rights.

It is our ambition that not only we, but also our business partners, acknowledge the principles of social responsibility and human rights as follows:

Compliance with Human Rights

The Mercedes-Benz Group and its business partners respect and support the protection of internationally recognized human rights and are committed to ensuring, as far as possible, that **no human rights violations** arise in the context of the business relationship, including with respect to other business partners and suppliers.

When engaging in commercial activities in their own area of influence, our business partners are encouraged to ensure that they are not committing any human rights violations themselves. They shall also take care to ensure that they do not participate in human rights violations as part of their business relationships.

Prohibition of Child Labor

The Mercedes-Benz Group and its business partners support the effective **abolition of child labor**. Children must not be hindered in their development. Their dignity must be respected. Their health and safety must not be adversely affected and must be protected by appropriate means.

Prohibition of Forced Labor and Modern Slavery

The Mercedes-Benz Group and its business partners are strictly opposed to forced or compulsory labor and all forms of slavery, including modern forms of human slavery and human trafficking. All employees work on their own free will and are free to terminate their employment by giving appropriate notice.

Freedom of Association and Right to Collective Bargaining

The Mercedes-Benz Group and its business partners acknowledge the right of their employees to form employee representation and engage in collective bargaining for the regulation of working conditions, depending on applicable law. They respect the right of their employees to assemble, to join a union, to appoint representation, and to be elected for union roles without having to fear retribution.

Non-Discrimination and Equal Opportunities

The Mercedes-Benz Group and its business partners support **equal opportunity** for employees and oppose all forms of **discrimination**. They stand for fair treatment of all employees and do not tolerate any form of discrimination or unjustified unequal treatment for example on the basis of gender, ethnicity, origin, nationality, religion or ideology, political or social affiliation, union membership, sexual identity and orientation, physical and/or mental conditions, or age.

Health and Safety at Work

As employer, the Mercedes-Benz Group and its business partners take care of health and safety at work within the framework of the applicable national laws and support the continuous development and improvement of working conditions with the objective of having no occupational accidents and illnesses.

Fair Working Conditions (Remuneration and Working Hours)

The Mercedes-Benz Group and its business partners are committed to paying **appropriate remuneration** that, at a minimum, is in line with the minimum wage under the applicable laws. It should enable employees to cover at least their living expenses. The working hours must comply with applicable laws and industry standards at a minimum.

Use of Public and Private Security Personnel

The Mercedes-Benz Group and its business partners expect their security personnel to comply with the internationally recognized human rights. If contracting a private security provider to protect facilities, proper requirements and measures must be in place to ensure that the personnel respect internationally recognized human rights during their engagement.

Protection of Human Rights Defenders

The Mercedes-Benz Group and its business partners are aware of the important role played by human rights defenders in **respecting and promoting human rights**. We work to protect them and reject all forms of intimidation, defamation and criminalization of human rights defenders.

Protection of Local Communities and Indigenous Peoples

The Mercedes-Benz Group and its business partners respect the rights of local communities and indigenous peoples that might be affected by their business operations and take into account the local impact of their business activities.

Responsible Sourcing of Raw Materials from Conflict-Affected and High-Risk Areas (CAHRAS)

The Mercedes-Benz Group and its business partners strictly oppose serious human rights violations such as torture, cruel, inhumane and degrading treatment including physical punishment, sexual violence, war crimes and crimes against humanity for the sourcing of raw materials from conflict-affected and high-risk areas.

Animal welfare

We comply with national and international legal requirements for animal welfare as well as recognized framework guidelines that define ethical principles in this context. Among these, we include the following standards:

- The Animal Welfare Committee's (AWC) "Five Freedoms" for assessing animal welfare (freedom from hunger, thirst, and malnutrition; from discomfort; from pain, injury, and disease; from fear and suffering; and freedom to exhibit normal behavior),
- the World Organization for Animal Health (OIE) principles of animal welfare (Terrestrial Animal Health Code and Aquatic Animal Health Code) as well as

- the "3Rs" principle on animal testing (Reduction, Refinement, Replacement). The aim of the 3Rs principle is to completely avoid animal testing (replacement) and to limit the number of animals (reduction) and their suffering (refinement) in experiments to the indispensable level.

We also expect that our business partners follow these regulations.

Environmental protection

Not only in the manufacturing of our products but also in our efforts to protect the environment, we strive to do our best. Around the world, it is our ambition to achieve an exemplary ecological and energy balance, rising to the increasing demands of consumers as well as current and future ecological challenges. We expect the same commitment from our business partners.

Climate Protection

As an actor in the transport sector, the Mercedes-Benz Group supports the Paris Climate Agreement: It is convinced of the objectives of the agreement. Achieving net-carbon neutrality is one of our key corporate goals in terms of environmental protection, embedded within our sustainable business strategy. In our “Ambition 2039” we have set ourselves the target of making our fleet of new vehicles net

carbon-neutral over the vehicles’ entire life cycle by 2039. Accordingly, we expect our suppliers to supply us only with CO₂-neutral products from 2039 at the latest.

To reduce the environmental impact of our products, we are looking at the entire value chain: from development to the supplier network, including our own production, the electrification of our products, renewable energy throughout the utilisation phase of electric vehicles, and finally, the recycling of vehicles to create a circular sustainability cycle.

For our business partners, that means all products manufactured along the entire supply chain are required to meet the **environmental standards of their market segment**. We view it as a requirement for business partners to have identified any chemicals and other substances that

may pose a hazard when released into the environment. This also includes establishing a system of hazardous materials management outlining proper procedures so that the substances can be safely handled, transported, stored, recycled, reused, and disposed of.

➤ Resource conservation

The goal of the Mercedes-Benz Group is to increasingly decouple the consumption of resources from the growth of its production volume. Throughout all phases of production, we strive to ensure environmental protection to the highest degree possible. A particular emphasis for us lies in the application and advancement of technologies aimed at conserving or reducing energy, waste, and water. Consequently, we also require our business partners to implement strategies and measures for emission reduction, reuse, and recycling.

➤ Biodiversity

The preservation of biological diversity is one of the greatest challenges of our time, alongside the mitigation of climate change and the provisioning of food for a growing world population. We are committed to the three fundamental goals outlined in the International Convention on Biological Diversity (CBD) and expect the same commitment from our business partners.

04 Compliance with the Business Partner Standards



For the Mercedes-Benz Group, ethical principles are not optional, but serve to guide our conduct. After all, no business deal can ever justify putting our company's reputation at risk. We expect the same of our business partners, who are also required to communicate these standards to their employees. We assume that our business partners will also share these rules with their business partners and ensure compliance with them.

Non-compliance with the legally binding standards agreed upon will result in potential sanctions.

05 Treatment of Violations



Violations of laws, policies and other regulations must be detected in a timely manner to prevent the Mercedes-Benz Group, its business partners and other people from suffering harm and to ensure fair treatment of one another. If you have concrete evidence of misconduct by Mercedes-Benz Group employees or any business partners' employees working with the Mercedes-Benz Group, do not hesitate to speak up.

The [Whistleblower System BPO](#) (Business & People Protection Office) is the **contact point for all Mercedes-Benz-Group employees, business partners, and third parties** who want to address **high risk rule violations** in relation to the Mercedes-Benz Group. High risk violations include offenses relating to corruption, breaches of antitrust law and violations of anti-money laundering regulations, as well as violations of binding

technical provisions, violations in connection with environmental regulations, or violations of human rights.

In Germany, an external **Neutral Intermediary** can also be contacted. The Neutral Intermediary is an independent attorney appointed by the Mercedes-Benz Group who receives tips regarding regulatory violations and, at the request of the whistleblower, forwards them in anonymous form to the Whistleblower System BPO. As an attorney, the neutral intermediary is subject to a duty of confidentiality towards the company.

In the USA, Brazil, Japan and South Africa, toll-free hotlines are available.

In either case, you can contact the Whistleblower System BPO at bpo@mercedes-benz.com.

06 Additional information



In addition to these Business Partner Standards, we have made other information sources available to you.

The Mercedes-Benz Group offers its business partners a **web-based module** ([↗ Compliance Awareness Module](#)) on the content of these Business Partner Standards. It explains the guiding principles for integrity at the Mercedes-Benz Group, among other things. We also demonstrate how to handle any integrity and compliance risks.

As a supplier you can also find all relevant regulations and information relating to your cooperation with the Mercedes-Benz Group [↗ here](#), as well as the [↗ Responsible Sourcing Standards](#) (RSS).

The Mercedes-Benz Group Sustainability Report can be found [↗ here](#).

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