Principles of Social Responsibility and Human Rights

Mercedes-Benz
Dear Colleagues,

We are in the midst of fundamental change in the automotive industry. In order to ensure the future success of our Company, we have committed ourselves to a fundamental “Spurwechsel” – a “lane change” to warrant the sustainable transformation of our company.

For us, sustainability means permanently creating value: for customers, employees and investors as well as for our business partners and society as a whole. That’s why we have anchored it into our core business with our Sustainable Business Strategy.

In this context, we believe human rights are a fundamental aspect of responsible corporate governance. Our ambition is to ensure that human rights are respected in all our Group companies, by our partners and by our suppliers. We have a clear goal: We only want products that are produced without any human rights violations.

With the following Principles of Social Responsibility and Human Rights, we underline our strong and binding commitment to upholding and respecting human rights as laid out in

- the International Bill of Human Rights
- the International Labor Organization’s Declaration on the Fundamental Principles and Rights at Work

These Principles specify and complement our Integrity Code regarding human rights and good working conditions and will serve as our guiding document in that regard.

This clear commitment to respecting human rights forms the foundation. However, even more important is the implementation of effective processes and measures to actively safeguard human rights. With the Mercedes-Benz Human Rights Respect System (HRRS), we have developed a due diligence approach in order to live up to our ambition to comply with and respect human rights in all of our business activities. It constitutes our framework to put these Principles into practice. It is designed to identify and avoid risks and potential negative impacts of our business activities on human rights early on.

The HRRS as a risk-based system is applied both in our supply chains as well as in our majority shareholdings.

The HRRS as well as these Principles have been developed by colleagues from various departments and employees’ representatives. We have placed particular importance on taking into account the expertise of external stakeholders, as well. We will be constantly reviewing our approach to respecting human rights with respect to new developments.

We are certain that we can only be successful in the long term if we fulfill our corporate responsibility to respect human rights locally and globally. These Principles are an important further step in this direction. Each and every one of us is asked to put these Principles into practice and move our company towards a future that is sustainable in every respect.

Thank you very much for your support.
At Mercedes-Benz Group, we consider respect for human rights a fundamental component of responsible corporate governance.

These Principles incorporate and complement the principles of our Integrity Code. As a founding participant of the United Nations Global Compact, we are committed to upholding human rights, respecting the rights of employees and their representatives, as well as protecting the environment. At Mercedes-Benz Group, we respect internationally recognized human rights and take special consideration of the rights of vulnerable groups. In this spirit, we are committed to the following international standards, among others:

- the Universal Declaration of Human Rights
- the International Pact on Civil and Political Rights
- the International Pact on Economic, Social and Cultural Rights
- the International Labor Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work
- the UN Guiding Principles on Business and Human Rights
- the Ten Principles of the UN Global Compact
- the OECD Guidelines for Multinational Enterprises

At Mercedes-Benz Group, we commit to prevent, and as far as possible end and mitigate, adverse impacts on human rights within our business operations around the world. Moreover, we act in accordance with the UN Guiding Principles on Business and Human Rights to ensure that our business partners, especially direct suppliers, respect human rights and work to ensure that indirect suppliers also respect human rights. Through our human rights due diligence approach, the Mercedes-Benz Human Rights Respect System (HRRS), we fulfill our human rights due diligence obligation with the involvement of relevant stakeholders in the process.

For us, social responsibility is an essential factor for the long-term success of our company; this also applies to our shareholders, suppliers, business partners and customers as well as our employees and social partners. We want to continue to contribute to social peace and global prosperity. Heeding this responsibility requires that we are competitive and remain so in the long term. It is part of our corporate culture to take joint responsibility for sustainability along the value chain—especially with a view to technological progress. This also applies with regard to a responsible transformation of the automotive industry that is characterized by new drive technologies and digitization.

To achieve our common goals, we at Mercedes-Benz Group, our General Works Council, the World Employee Committee and IndustriALL Global Union have agreed on these Principles that supplement the human rights compliance requirements in our Integrity Code. These Principles were developed in cooperation with the responsible internal departments, Mercedes-Benz Group’s General Works Council and the World Employee Committee as well as external experts and stakeholders.

1 “Mercedes-Benz Group” refers to Mercedes-Benz Group AG and all controlled Group companies.
2 The term “employee” also includes managers at all levels and members of managing bodies.
3 Chapter IV on human rights in the OECD Guidelines for Multinational Enterprises.
At Mercedes-Benz Group, we commit to the respect of internationally recognized human rights and oppose all exploitative working conditions.

Human Rights and Good Working Conditions
We place particular importance on human rights and good working conditions, both in our own Group companies as well as among our suppliers and business partners.

Abolition of Child Labor
At Mercedes-Benz Group, we are strictly opposed to any form of child labor as defined in the relevant ILO conventions
4 and are committed to the effective abolition of child labor. All employer practices at Mercedes-Benz Group must at least comply with the aforementioned ILO conventions. Children must not be inhibited in their development. Their dignity must be respected and their safety and health must not be impaired, but protected by appropriate measures.

Abolition of Forced Labor
At Mercedes-Benz Group, we are strictly opposed to forced or compulsory labor and all forms of slavery, including modern forms of slavery and human trafficking. All employer practices at Mercedes-Benz Group must at a minimum be in line with the ILO’s Core Labor Standards.5 Employment relationships are always based on voluntariness. All employment relationships may be terminated with reasonable notice.

Freedom of Association, the Right to Collective Bargaining and the Right to Strike
At Mercedes-Benz Group, we acknowledge the right of our employees to form employees’ representative bodies, to collective bargaining for the regulation of working conditions and their right to strike, depending on applicable law.6 Founding, joining or being a member of a workers’ union recognized under applicable law shall not be used as a reason for a lack of equal treatment or retaliation.7 In the event of organization campaigns, the company and its executives shall remain neutral; the trade unions and the company will ensure that employees can make an independent decision.

At Mercedes-Benz Group, we ensure that our employees can openly and regularly exchange views on working conditions with corporate management in unions and workers’ representative bodies in accordance with applicable law. If these Principles are not in accordance with local law, at Mercedes-Benz Group, we will find local solutions that take into account the relevant national legislation and our own guidelines.

Cooperation with employees and trade unions is on a constructive basis. It is our objective to involve and inform each individual employee as directly as possible. In doing so, a fair balance is sought between the economic interests of the company and the interests of our employees. Our conduct and tone towards employees is characterized by respect and fairness. Even in the event of contentious disputes, the aim remains to maintain sustainable constructive cooperation in the long term.

In this chapter we outline human rights and rights of employees that are of particular importance with regard to our business activities.

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4 ILO Convention No. 138 and No. 182.
6 ILO Convention No. 87 and No. 98.
7 ILO Convention No. 135.
Equal Opportunity and Non-Discrimination
At Mercedes-Benz Group, we are committed to maintaining equal opportunities among employees and preventing all forms of discrimination. We stand for the fair treatment of all employees and do not tolerate any form of discrimination or unjustified unequal treatment, for example on the basis of characteristics such as gender, ethnicity, origin, nationality, religion or ideology, political, social or union affiliation, sexual identity and orientation, physical and/or mental disabilities or age.

At Mercedes-Benz Group, Diversity and Inclusion are essential parts of our corporate strategy, shaping a conscious approach to differences and individuality. For this reason, we are an initial signatory to the Diversity Charter and continue to develop our diversity management.

The Right to Health and Safety at Work
In our role as employer, we at Mercedes-Benz Group ensure health and safety at work within the framework of the applicable law and support the continuous improvement of working conditions, with the objective of having no occupational accidents and illnesses.

We at Mercedes-Benz Group have group-wide applicable policies and guidelines on occupational health and safety in place. They describe the structure, operation and continuous improvement of our management system for health and safety at work. According to our corporate policy on occupational health and safety, company representatives, employees, safety and health experts and employee representatives work together regularly, closely and concisely at all company locations. We foster a preventive approach according to which occupational accidents and illnesses generally have preventable causes. By creating an effective culture of prevention, these causes can be eliminated and occupational accidents, injuries and illness can be prevented. High technical and operational safety standards are the basis for our work. The purpose is to prevent occupational accidents and work-related illnesses. At Mercedes-Benz Group, we comply with industrial safety regulations and use the required protective equipment. We also depend on the cooperation of our employees to report suspected safety and health risks. These industrial safety regulations also apply to workers from external employers (e.g. temporary workers).

Working Time
At Mercedes-Benz Group, we follow the principle that working hours comply with local law and respective industry standards. We ensure that safe and healthy working conditions prevail, that work breaks, appropriate limitations of working hours and regular, paid vacation are guaranteed, in accordance with applicable local law. We also ensure compliance with the applicable international standards on working hours, which include at a minimum the relevant ILO conventions at the place of employment.

Compensation and Benefits
At Mercedes-Benz Group, we adhere to international standards, such as the principle of equal remuneration for work of equal value regardless of gender and fair, favorable working conditions. We are committed, in particular, to paying an appropriate wage that is at least equal to the minimum wage established under applicable local law and, in addition, enables our employees to at least secure their livelihood. Otherwise, it is based on the law applicable at the place of employment.

The cost of living and social benefits in the country concerned shall be taken into account. In the absence of applicable law or collective bargaining regulations, compensation and benefits are based on our global remuneration policy, as well as our internal local regulations on compensation.

Education and Training
At Mercedes-Benz Group, we support the education and training of all employees in order to enable a high level of performance and high-quality work. Accordingly, we provide comprehensive education and training programs and support measures during all essential phases of employees’ individual training and career paths. Thereby, we contribute to the employability of all employees and lifelong learning.

Protection of Human Rights Defenders
At Mercedes-Benz Group, we are mindful of the important role of human rights defenders in respecting and promoting human rights and reject any threats, intimidation, defamation and criminalization against people defending human rights. In addition, we seek constructive dialogue and cooperation with human rights defenders.

Protection of Local Communities and Indigenous Peoples
At Mercedes-Benz Group, we respect the rights of local communities and indigenous peoples that might be affected by our business operations and take into account the local impact of our business activities.

Security Personnel and Human Rights Protection
Where we use our own security personnel at Mercedes-Benz Group to protect our facilities, they are obliged to respect human rights and our Integrity Code. If we contract a private security provider to protect our facilities, proper requirements and measures must be in place through corresponding specifications to ensure that security personnel respect internationally recognized human rights during their engagement.
Creating Value Responsibly

Human Rights and the Environment

At Mercedes-Benz Group, we acknowledge our responsibility to protect the environment and are aware of the potential impact of our products, production and procurement processes on the environment and humans. For this reason, in addition to human rights due diligence, we also observe our environmental duties of care in our own Group companies, as well as with regard to our suppliers and business partners.

We strive to achieve an exemplary environmental and energy balance worldwide and, with our corporate policy on environmental and energy management, we are committed to acting in an environmentally responsible manner in all our activities, using resources sparingly and extracting raw materials efficiently and sparingly in order to avoid and/or continuously minimize negative effects on the environment.

To this end, we have established environmental management systems at all production sites and regularly conduct environmental risk assessments (environmental due diligence) at our sites. In addition, we define clear, overarching environmental protection standards and objectives and make our environmental impact transparent both internally and externally. In the event of any environmentally relevant incidents at Mercedes-Benz Group sites, we document and resolve any deficiencies. By continuing the technological development of our products, we endeavor to reduce the impact on the environment from emissions and resource consumption. It is our ambition to make our fleet of new cars CO₂-neutral. With this in mind, we analyze measures for environmentally friendly and energy-efficient product design as well as the environmental impact—from raw materials extraction to production, use and, finally, recycling. We also assess our activities for compliance with regulations in the production process, including collection, storage, recycling and disposal of hazardous substances and waste.

Handling Artificial Intelligence

At Mercedes-Benz Group, we have sophisticated principles on Artificial Intelligence (AI). We follow an approach that ensures that humans remain the pacemaker and we take opportunities and risks into account appropriately. In order to shape the digital transformation sustainably, these principles include ethical and legal parameters for the development and use of AI. They set the foundation for the responsible use, transparency, protection of privacy, safety and reliability of AI at Mercedes-Benz Group and shall also apply to our business partners. They complement our Data Vision and are an integral part of our digital corporate responsibility.
As part of this, we have underpinned our human rights commitments with measurable targets and KPIs. With our Human Rights Respect System (HRRS), we fulfill our human rights due diligence obligation, based on requirements from internationally recognized standards, applicable law and regulations, as well as our shared understanding of values at Mercedes-Benz Group.

In establishing and implementing the HRRS, we consider the interests of our employees and other stakeholders who may be directly affected in a protected legal position by our business operations. Our aim is to enter into an exchange with potentially affected rights holders or their representatives and to take their interests into account. Under the HRRS, we perform a risk-based, systematic assessment to verify that our controlled Group companies and supply chains comply with human rights and we implement numerous measures to prevent, end and mitigate negative impacts on human rights within our business operations worldwide.

We develop our HRRS continuously, for example, when a risk assessment is performed due to a new activity or relationship and before strategic decisions or changes in business operations. We also consult with external stakeholders and experts regarding the further development and monitoring of the HRRS.

At Mercedes-Benz Group, human rights are anchored as a focus topic in our sustainable business strategy.

Our due diligence approach to respecting and upholding human rights in four steps.

1. Risk assessment
   Systematic assessment and evaluation of human rights risks

2. Program implementation
   Definition and implementation of human rights measures, dependent on Group companies’ or supply chains’ specific risk assessment

3. Monitoring
   Evaluation of adequacy/effectiveness of the risk assessment and program implementation

4. Reporting
   Regular and standardized reporting
Mercedes-Benz and Controlled Group Companies
As part of the HRRS, we at Mercedes-Benz Group have a Social Compliance Management System (CMS) for our controlled Group companies in place. This Social CMS is embedded in an annual risk assessment cycle that defines human rights related values and objectives. In addition, the Social CMS includes a specific guideline for a human rights related risk assessment that is applied in all controlled Group companies and aims to identify the individual risk for each controlled Group company taking account of, among others, country-specific factors.

Based on the results of the risk assessment, the measure set of the Social CMS provides tailored measures for the controlled Group companies that address the individual results of the risk assessment. The respective entity is responsible for the implementation of the Social Compliance Measure Set. A separate department within Mercedes-Benz Group is responsible for the design and implementation of the Social CMS.

The Social CMS and the corresponding measures are supported by dedicated communication and specific training courses that involve all relevant employees. In order to ensure the effectiveness, continuous improvement and further development of the Social CMS, corresponding monitoring and reporting processes are performed annually.

Business Partners
Our requirements and expectations for business partners can be found in the Mercedes-Benz Business Partner Standards (BPS). Business partners are all those who do business with us. We and our partners respect and support the protection of internationally recognized human rights and place special importance on the rights stated in the International Bill of Human Rights16 and the Core Labor Standards of the International Labor Organization. We are committed to prevent human rights violations carried out by organizations with which we and our partners do business as well as any other business partners and suppliers.

For us, adherence to these standards is the chief requirement for successful collaboration. Before entering into any contracts with new business partners, we subject them to screening to the extent permitted by law, using a transparent and risk-oriented integrity check. Our partners are also obliged to continue to comply with statutory requirements after contract execution. Concerns about integrity or potential violations of law and/or the BPS will be examined together with our business partner. If they cannot be resolved, we will take appropriate measures that may include legal action up to the termination of the business relationship. We expect business partners to communicate the applicable law to their employees, in addition to the contents of the BPS and the associated requirements. We expect our business partners to share the contents of the BPS with their suppliers as well and to ensure compliance with them.


Suppliers
At Mercedes-Benz Group, we commit to the responsible procurement of production and non-production materials and services. Our contractual terms and standards specifically applicable to suppliers stipulate clear requirements and expectations towards our suppliers that must be verified by the procurement staff. All suppliers must respect internationally recognized human rights that can also be found in the contractual agreements with them. We reserve the right to check compliance with the contractual terms and conditions and, in the event of violations, exercise our rights under the contract that may also include legal action and may lead to the termination of the business relationship.

Our aspiration is to set and communicate these requirements to all suppliers through our procurement departments. These requirements, which are based on the aforementioned supplier standards, include good working conditions and compliance with human rights, environmental protection and safety as well as ethical business, data protection and compliance.

Direct suppliers are required to educate their own employees on the supplier standards, to communicate their content to their own suppliers, obligate the latter to observe the same requirements and verify that these are adhered to throughout their supply chain. We support our suppliers with specific information and training for the implementation of these requirements. Our central procurement departments conduct systematic reviews of compliance with the supplier standards. New suppliers are evaluated with regard to sustainability topics, including human rights and labor standards—possibly also by way of on-site assessments.
Implementing These Principles

At Mercedes-Benz Group, all employees must familiarize themselves with the requirements of these Principles and adhere to them.

**Obligation and Compliance**

The members of our managing bodies at Mercedes-Benz Group put these Principles into practice. Local implementation is tasked to those responsible at the respective site.

These Principles were adopted jointly by corporate management, Mercedes-Benz Group General Works Council, the World Employee Committee and IndustriALL Global Union as binding requirements within Mercedes-Benz Group for the implementation of the core elements of human rights due diligence. These Principles are binding around the world for all managers and employees of Mercedes-Benz Group as well as all controlled Group companies and designate contact persons to assist business partners, customers and employees.

Corporate Audit will also monitor compliance with these Principles as part of their audits, and will include these Principles in their criteria for assessment. Corporate management reports on and discusses the realization of social responsibility in the company and the implementation of these Principles with the World Employee Committee on a regular basis.

These Principles constitute a supplement to the EU requirements and any national law. Controlled Group companies and their employees and members of managing bodies are not permitted to adopt regulations that deviate from the content and specifications of these Principles, except as otherwise provided by local law. In the event of conflicting local legislation, the central Compliance organization will work with the relevant Group company to find a provision that comes closest to the intent of these Principles.

**Communication and Notification**

These Principles will be made available to all our employees and their representatives in an appropriate form. The communication measures will be discussed in advance with the employee representatives.

In this chapter we describe responsibilities and obligations regarding these Principles as well as how we handle violations within Mercedes-Benz Group and our controlled Group companies.

Read more about human rights in our latest Sustainability Report and on our website: sustainabilityreport.mercedes-benz.com
Implementation of These Principles

Governance
The Integrity and Legal Affairs executive division of Mercedes-Benz Group is responsible for the overarching activities related to human rights. The responsible member of the Board of Management works with the procurement units on further developing human rights compliance, in line with agreed upon objectives and also receives regular information and reports on human rights activities from the Chief Compliance Officer and from the corresponding specialist departments. Our procurement units also provide information on their respective human rights compliance measures to the Board of Management members who are directly responsible for the units in question. Moreover, the respective specialist units report to the Group Sustainability Board that consists of the responsible Board of Management members and monitors the implementation of these Principles.17 For this purpose, on an annual and ad hoc basis, salient human rights issues and the status of implementation of these Principles are reported and discussed in the Group Sustainability Board.

The entire Supervisory Board is updated by the Board of Management in regular meetings about sustainability issues, including human rights and labor standards. The Advisory Board for Integrity and Corporate Responsibility is an external consultant body that holds additional discussions with company management on strategic matters related to sustainability, including human rights and labor standards and the progress made in our sustainable business strategy. Our cross-disciplinary teams work closely together at Mercedes-Benz Group to conceptualize appropriate preventive and mitigating measures. The teams include human rights and compliance experts along with the operational procurement units and—on an ad hoc basis—additional specialist units. The relevant specialist units are in charge of ensuring that these measures are implemented and monitored.

Handling Violations of These Principles
There are a number of channels for employees and external third parties to report suspected human rights violations and request assistance — as defined in the third pillar of the UN Guiding Principles on Business and Human Rights, “Access to Remedy”. These channels include in particular our BPO (Business Practices Office) and the World Employee Committee. The BPO is open to all employees, business partners and third parties who wish to report violations of rules or regulations that pose a serious risk, including human rights violations to the company. A globally applicable corporate policy governs our whistleblower system and the corresponding responsibilities. Our whistleblower system aims to ensure a fair and transparent process that takes into account the principle of proportionality for the affected parties, while also giving protection to whistleblowers.

This corporate policy also sets the standard for the assessment and consequences of rule violations. The BPO is available in multiple languages by post, email, or online reporting form and — in select countries — via an external toll-free hotline.18 However, completely anonymous reports are also possible if not expressly prohibited under national law. In Germany, whistleblowers also have the option to contact the external, neutral intermediary. They can report severe rule violations relating to Mercedes-Benz Group to this intermediary if they have specific indications of such violations. After receiving a report, the BPO conducts a risk-based assessment of the potential violation. If the suspicions are confirmed, measures reasonable and appropriate to the situation will be imposed. If a violation of these Principles is found to be caused by individual employees, there may be disciplinary measures under employment law. Violations of the content of these Principles will be sanctioned in line with our internal corporate policy on the treatment of violations.

Contact, Questions and Information
Questions and comments with regard to these Principles or any human rights related topics can be directed to the Social Compliance department at Mercedes-Benz Group via email at social-compliance@mercedes-benz.com.

Complaints or reports of non-compliance with these Principles can be directed to the BPO at bpo@mercedes-benz.com, the World Employee Committee and IndustriALL Global Union.

Miscellaneous
Upon signature, these Principles enter into force and replace the Principles of Social Responsibility at Daimler. No individual or third party rights can be derived from these Principles. These Principles have no retroactive effects. The content-based design and orientation of the existing management systems are described in greater detail in dedicated guidelines for implementing these Principles.

These Principles are regularly reviewed and revised in accordance with the results of the risk assessment within the framework of the Mercedes-Benz Human Rights Respect System, for example if a risk assessment is carried out due to a new activity or relationship, before strategic decisions or changes in business activities.

Assessments and Regular Reporting
We at Mercedes-Benz Group will continue to make annual disclosures on our due diligence activities in the supply chain, including a disclosure of the results of the risk assessment in the supply chain and a detailed description of our measures to mitigate the risks identified and evaluate their effectiveness.

17 Within the framework of regular reporting and taking into account applicable law and company regulations, measures are discussed and, if necessary, improvements to existing procedures are outlined in close cooperation between the company, the General Works Council, the World Employee Committee of Mercedes-Benz Group and, where indicated by these Principles, with the involvement of IndustriALL Global Union.

18 You can find current contact information for the BPO and the neutral intermediary on the Mercedes-Benz Group website at www.group.mercedes-benz.com/company/compliance/bpo.
The Board consists of independent external experts from various countries and has been an important source of input for our sustainability work since 2012. Its members from science, business and civil society provide critical and constructive support for the integrity and corporate responsibility process at Mercedes-Benz Group from an external point of view.

There is no universally consistent definition of Artificial Intelligence (AI). We have the following understanding: AI includes various methods that attempt to automate intelligent skills. The broad term “AI” is often used today in the narrow sense of the current advances in machine learning (ML). “ML” is a subset of AI methods and is based on mathematical methods that find complex patterns in datasets. Again, a subset of machine learning is deep learning. It makes it possible to find complex patterns in very large amounts of data using (deep) neural networks.

Business Practices Office (BPO) Whistleblower system at Mercedes-Benz Group, which is open to all employees, business partners and third parties in order to address risks and high-risk violations. High risks include offenses such as violations of internationally recognized human rights, corruption, antitrust law violations and money laundering as well as violations of technical specifications or environmental regulations.

Compliance Management System (CMS) Basic principles and measures to promote compliant behavior throughout the company. Our CMS is guided by national and international standards. Besides other objectives of our compliance activities, the CMS also aims to respect and protect human rights. The CMS consists of seven elements that build on one another: compliance values, compliance objectives, compliance organization, compliance risks, compliance programs, communication and training as well as monitoring and improvement.

Core Labor Standards of the ILO Social standards created by the ILO within the world trade order to ensure decent working conditions and worker protection. The Core Labor Standards are part of the ILO’s Declaration on Fundamental Principles and Rights at Work.

Data Vision The aspiration of Mercedes-Benz Group concerning the handling of data: “We stand for sustainable data-based business models. That is why we focus on the needs of our consumers and employees and handle data responsibly.” The Data Vision follows seven principles: business potential, consumer benefit, data quality, transparency, choice, data security and data ethics.

Discrimination Applying categories (such as social background, gender, skin color, religion) to create, explain and justify unequal treatment without an objective reason.
Diversity and Inclusion

Diversity stands for individual differences within a group of people including, for example, gender, age, origin, sexual orientation and other characteristics. Inclusion stands for the conscious, integrative and appreciative approach to diversity, with the objective of including and treating all employees in an equal and fair manner.

Diversity Charter

A voluntary commitment by companies published in 2006 with the aim of promoting the recognition, appreciation and inclusion of equal opportunities and diversity in Germany’s working world.

Environmental and energy balance

Ratio of energy consumption to energy use, especially in terms of the impact on the environment.

Environmental risk assessments/Environmental due diligence

Regular risk assessments carried out by our experts at our production sites on the topics of emissions to the air, discharge of water, waste management, soil/groundwater contamination, use of materials and the environmental management system at the site. The assessment system is based on standardized interviews, random document checks and a targeted site inspection. These environmental risk assessments take into account factors such as knowledge of environmental regulations and compliance with them, technology used to safeguard against risks, organization of environmental protection aspects and consideration of the local environment and the immediate neighborhood. Finally, a report including a description of the status as well as specific recommendations for risk minimization is prepared for each environmental risk assessment performed.

Equal opportunity

Employ, promote and develop all employees according to their skills, abilities and performance regardless of gender, age, origin, religion or other individual characteristics.

Group Sustainability Board (GSB)

Our central management body for all sustainability issues that reports to the Board of Management of Mercedes-Benz Group AG. The GSB submits progress reports, as well as proposals for decisions regarding the areas of action that are part of the Group’s sustainable business strategies, to the Board of Management.

Human rights defenders

Human rights are fundamental, inalienable rights that are inherent in all human beings from birth. These include, among others, human dignity and the right to life and physical integrity. They are subsumed under fundamental international standards such as the United Nations International Bill of Human Rights and the ILO Core Labor Standards. Human rights defenders, also known as human rights activists, are people and groups who work non-violently to protect and promote human rights.

Human rights due diligence

Human rights due diligence refers to the obligations that a company has to respect human rights and counteract human rights risks in the course of its business activities.

Indigenous peoples

Populations that hold and practice their own ties between people and the environment or specific geographic areas. In particular, they are characterized by certain social, economic, political or spiritual characteristics that are distinct from those of the rest of the society in which they live.

Integrity check

Examination of whether potential and existing business partners meet Mercedes-Benz Group’s standards of value and, for example, do not use illegal or inappropriate methods.

International Labor Organization, ILO

The oldest special agency of the United Nations, headquartered in Geneva. The ILO pursues the goals of promoting decent work and social protection as well as strengthening social dialogue and is responsible for developing, formulating and enforcing binding international labor and social standards.

Local communities

Communities that are or may be directly and/or negatively affected due to close proximity to our sites or a direct connection to our business activities.

Mitigate (Mitigation)

Mitigation is understood to be the processes by which negative human rights impacts are addressed as well as the crucial findings of these processes that then counteract the actual negative impacts, redress them and/or minimize the likelihood for potential negative impacts to occur.

Organisation for Economic Co-operation and Development (OECD)

Based in Paris, the Organisation for Economic Co-operation and Development (OECD) is an international organization encompassing 37 member countries that are committed to democracy and a market economy. The OECD Guidelines for Multinational Enterprises contain recommendations to companies for sustainable business conduct in the areas of transparency, working conditions, the environment, corruption, consumer protection, reporting, technology transfer, competition and taxation.

Personal data

All information directly or indirectly related to an individual including, for example, name, address and age.

Rights holder

In the field of law, a rights holder is a person or other legal entity (organization or living organism) that has specific, legally recognized rights. In terms of human rights, rights holders are all people regardless of their personal characteristics.

Risk assessment

Identification and assessment of all actual or potential adverse human rights impacts in which Mercedes-Benz Group is involved as a business enterprise, either through its own operations or through its business relationships.

Stakeholder

A person or organization that actually or potentially influences, or is influenced by, our corporate activities and decisions.
| **Supervisory Board** | Highest control committee at Mercedes-Benz Group AG, whose main purpose is to supervise the executive management, i.e. the Board of Management. |
| **Suppliers (direct/indirect)** | Direct suppliers are those suppliers of products or services whose deliveries are necessary for the manufacturing of our products and the provision of our services and who have a direct contractual relationship with us for the delivery and/or service. Indirect suppliers are those suppliers whose deliveries are also necessary for the manufacturing of our products and the provision of our services, but who do not have a direct contractual relationship with us for the delivery and/or service. |
| **Sustainability** | Both present and future-oriented operating principles aimed at reconciling economic, ecological and social aspects. |
| **United Nations Global Compact** | United Nations initiative for responsible corporate management. The Global Compact pursues the objectives of an inclusive and sustainable world economy based on ten universal principles on human rights, labor standards, the environment, anti-corruption and sustainable development goals. |
| **United Nations Guiding Principles on Business and Human Rights** | The UN Guiding Principles on Business and Human Rights are a set of international guidelines for preventing human rights violations in the context of business activities. They also address the responsibility of business enterprises in this context. |
| **Universal Declaration of Human Rights by the United Nations** | The Declaration was proclaimed by the United Nations General Assembly on December 10, 1948 without legally binding effect. The Universal Declaration of Human Rights contains the fundamental, inalienable rights that are inherent in all human beings from birth and forms part of the International Bill of Human Rights of the United Nations. |
| **Value chain** | A company’s value chain includes all activities related to the design, manufacturing, distribution, use and disposal of its products and the provision of its services. |
| **Vulnerable groups** | Persons or groups of persons particularly vulnerable to negative human rights impacts of a business activity, such as children. The persons or groups of persons may also be vulnerable if they are unable to deal with negative human rights impacts or have difficulty doing so. |