



RAW MATERIAL REPORT

2026

Mercedes-Benz

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Foreword

Dear readers,

As we embark on the most ambitious product launch campaign in our company's history, Mercedes-Benz remains fully committed to protecting the environment and respecting human rights throughout our supply chain.

This is not an effort on top of running our business – it is how we run our business. In a world shaped by geopolitical and macroeconomic uncertainty, an increasingly complex regulatory environment and intensifying competition, resilient and responsible supply chains with strong raw-material partnerships are critical to securing long-term success.

Our commitments do not remain abstract. They are reflected in our products, such as the new electric GLA featured throughout this report. Mercedes-Benz makes every reasonable effort to prevent human rights and environmental standard violations in our raw material supply chains. To achieve this goal, we take a proactive role in identifying potential issues and working towards appropriate solutions.

With approximately 5,000 direct suppliers of production materials and a highly complex upstream network that extends far beyond our immediate business partners, oversight remains a

significant challenge. In line with the United Nations Guiding Principles on Business and Human Rights, we therefore apply a risk management approach that prioritizes the most severe potential impacts of our business activities. Our ambition is to prevent harm wherever possible and to achieve long-term and sustainable change.

In our Raw Material Report, we outline how we address human rights and environmental protection in our raw material supply chains. Building on previous editions of this report, we have once again expanded its scope to include additional raw materials such as iron, steel alloys, and natural rubber. This report also provides a higher level of transparency and places a stronger emphasis on our achieved impacts: For the first time in our industry, it offers a detailed view of impact monitoring in selected areas, including for our work with voluntary sustainability standards. Another new element is the introduction of dedicated environmental risk assessments, starting with nickel, cobalt, lithium, and graphite.

The report reflects our conviction that lasting improvement requires openness, transparency, and dialogue with our stakeholders. We therefore welcome critical engagement and constructive feedback – because meaningful progress is only possible through a process of ongoing exchange.

Sincerely,

Olaf Schick Yanni von Roy-Jiang



Olaf Schick

Member of the Board of Management of Mercedes-Benz Group AG.
Integrity, Governance and Sustainability



Yanni von Roy-Jiang

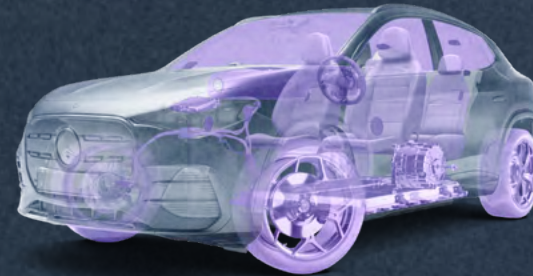
Head of Procurement and Supplier Management

NEW

- **3 new local spotlights**
- **4 new raw materials were assessed**
- **Deep dive environmental due diligence**
- **5 Cross commodity insights into:**
 - Gender-based violence and harassment
 - Forced labour
 - Conflict-affected and high-risk areas (CAHRAs)
 - Artisanal and small-scale mining (ASM)
 - Tier-n due diligence programme
- **Effectiveness monitoring**

4th

Raw Material Report



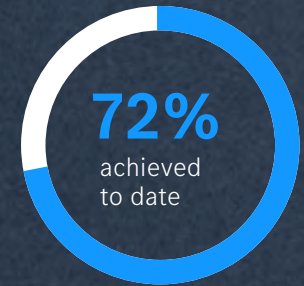
Al Aluminium	Au Gold	Cr Chromium	Co Cobalt	Cu Copper	C Graphite
Fe Iron	Leather	Li Lithium	Mg Magnesium	Mn Manganese	Mica
Mo Molybdenum	Ni Nickel	Pd Palladium	P Phosphate	Pt Platinum	Rare Earth Elements
Rh Rhodium	Rubber	Si Silica Sand and Silicon	Ta Tantalum	Sn Tin	W Tungsten

24

critical raw materials within scope



TARGET: 100% of critical raw materials assessed by 2028



100%
of in-scope battery suppliers contractually bound to IRMA requirements.



6,000+
people reached in high-risk regions through RMI partners.



150+
suppliers and sub-suppliers assessed for forced labour risks.



7
forums and conferences: Active participation in discussions on human rights due diligence.



42
on-site audits conducted in 2025 of which 28% were re-audits.

RAW MATERIALS

5 ————— 62

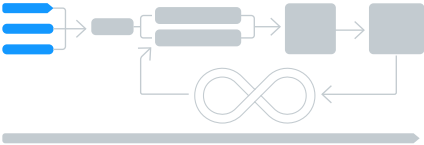
This chapter provides a detailed overview of the identified critical raw materials, including key mining regions and downstream processing stages. It further presents an analysis of systemic human rights and environmental risks, supported by concise contextual descriptions.

In addition, the chapter outlines the relevant focus parts/commodities linked to these raw materials and provides an overview of the corresponding risk mitigation approach.



02

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Raw Material Prioritisation	Aluminium	Chromium	Cobalt	Copper	Graphite	Iron	Leather	Lithium	Manganese	Mica	Nickel	PGMs	Rubber	REEs	Silica Sand and Silicon	3TG	



Raw Material Prioritisation

Mercedes-Benz conducts raw material assessments through a standardised process covering 24 critical raw materials. This list is subject to annual revision, using a combination of two main indices and additional factors. These include a country risk rating derived from the Global Risk Map of the Responsible Minerals Initiative (RMI), industrial criticality based on the European Union (EU) [Critical Raw Materials List](#), as well as additional factors including direct sourcing, regulatory relevance, and the occurrence of artisanal and small-scale mining (ASM) as one significant form of raw material extraction.

By 2028, Mercedes-Benz aims to conclude the assessments for 100% of raw materials identified as posing an increased risk of human rights violations. The assessment constitutes a thorough holistic review as a starting point for ongoing due diligence.

For further information please click on the links above.
Assessments of the remaining raw materials will be published in due course.

NEW

Al

Aluminium

Page 07

Au

Gold

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NEW

Cr

Chromium

Page 10

Co

Cobalt

Page 12

Cu

Copper

Page 16

C

Graphite

Page 19

NEW

Fe

Iron

Page 23

Leather

Page 26

Li

Lithium

Page 30

Mg

Magnesium

NEW

Mn

Manganese

Page 35

Mica

Page 37

Mo

Molybdenum

Ni

Nickel

Page 41

Pd

Palladium

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P

Phosphate

Pt

Platinum

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Rare Earth Elements

Page 51

Rh

Rhodium

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NEW

Rubber

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Si

Silica Sand and Silicon

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Ta

Tantalum

Page 58

Sn

Tin

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W

Tungsten

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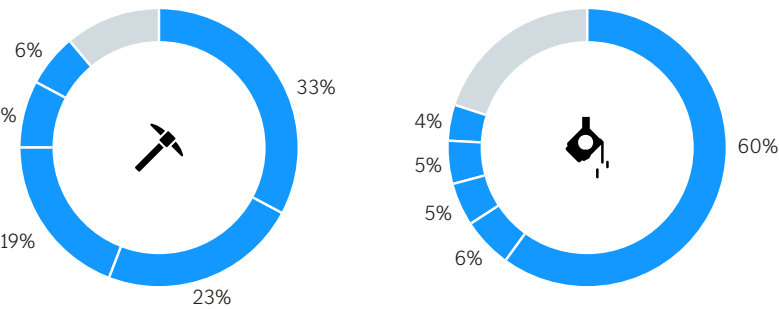
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Aluminium

Raw Material Profile

Aluminium is a lightweight, corrosion-resistant metal with high strength-to-weight ratio. It occurs naturally in bauxite ores and is widely recycled. In automotive and vehicle construction, aluminium reduces mass, thereby improving energy efficiency, and enhancing safety, durability, and design flexibility across body, chassis, and battery components.



Mining and Beneficiation¹

Guinea:	33%
Australia:	23%
China:	19%
Brazil:	8%
India:	6%

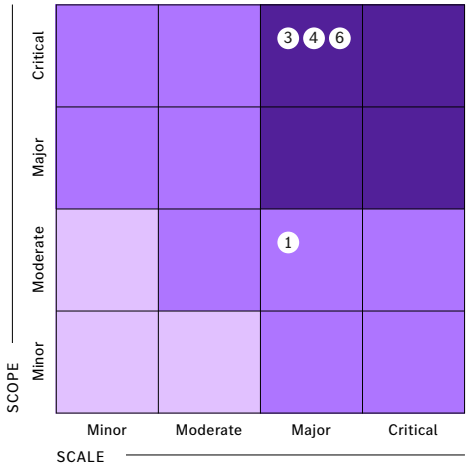
Smelting and Refining²

China:	60%
India:	6%
Russia:	5%
Canada:	5%
UAE:	4%

Risk Profile

- 1 Working Conditions incl. Occupational Health and Safety
- Child Labour
- 3 Modern Slavery incl. Forced Labour
- 4 Community and Indigenous Rights
- Excessive Violence by Public and Private Security Forces
- 6 Environmental Risks with Impact on Human Rights
- Business Conduct in CAHRAS
- Serious Human Rights Abuses

Risk Analysis



Focus Parts / Commodities

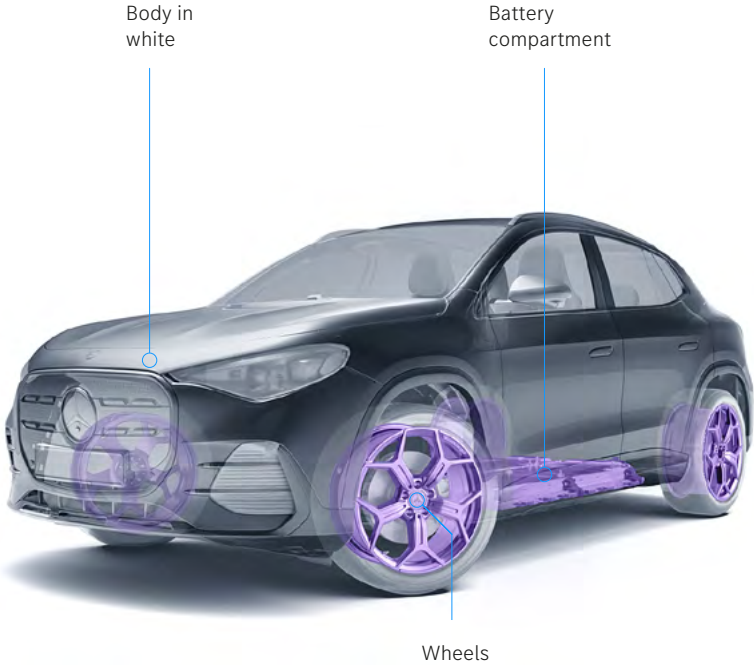


Illustration shown may not exactly reflect the original.

¹ > USGS 2026, Data 2024
² > USGS 2026, Data 2024

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Aluminium

Tier-1 / Direct Suppliers

N/A, equivalent requirement to undergo the performance audit of the Aluminium Stewardship Initiative (ASI) covering due diligence obligations.

Systematic Risk Context

Bauxite is typically mined in large scale open pit operations, as it occurs close to the surface in layers, several metres thick. Once the ore layer is exposed, both surface mining as well as blasting and haulage techniques are used. Depending on its quality, the mined bauxite may be directly suitable for refining or may require washing to remove dirt and impurities. Bauxite is found in a broad belt around the equator. In recent years, Guinea in particular has developed into a major producer. The country holds the world’s largest bauxite reserves and has experienced rapid and substantial investment in its mining sector over the past decade. Due to the scale of operations and ongoing expansion, land management presents a significant challenge, particularly where mining concessions encroach on the traditional lands of affected communities and Indigenous Peoples.

Our risk assessment has identified community and indigenous rights, as well as environmental risks with impacts on human rights, as the most severe interlinked risk areas. These risks are particularly pronounced in Guinea and Brazil, which are countries of origin where Mercedes-Benz is connected to the risks through business partners. In Brazil, our supplier Norsk Hydro is vertically integrated, providing rare transparency across mining and processing stages. In addition, the potential for modern

slavery, including forced labour, has been identified as a high risk in certain aluminium processing steps. Our ambition is to raise sustainability standards across the entire industry. To this end, Mercedes-Benz works to strengthen existing voluntary sustainability systems and promote their broader market adoption. The cases of Guinea and Brazil represent situations in which heightened due diligence is required and where specific issues must be addressed beyond the application of standards and audits ([→ Corridor Spotlight](#); [→ Guinea Spotlight](#)).

Stakeholder Engagement

- Regular exchange with international Civil Society Organizations on human rights and environmental risk specific to Guinea and Brazil, the role of the automotive industry in ensuring human rights are respected and the role of standards in the aluminium supply chain
- Regular exchange with direct and tier-n suppliers on risks and mitigating measures including the application of standards (ASI and IRMA) as well as on-the-ground interventions
- Regular project group meetings with peers, companies from other industries, civil society and government on initiating a collaborative effort to address risks in Guinea

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Mercedes-Benz Risk Mitigation Strategy for Aluminium

Effective Standards

Standards hold significant potential to identify risks, induce and monitor continuous improvement. Mercedes-Benz is committed to improving existing standards by actively supporting standard revisions and have done so for both IRMA (2025) and ASI (2026). Based on our standard guidance ([↗ Guidance: Mining and Supply Chain Standards | MBSP 2.0](#)), Mercedes-Benz issued recommendations for both IRMA and ASI to further improve their governance and processes.

Mainstreaming Voluntary Sustainability Standards

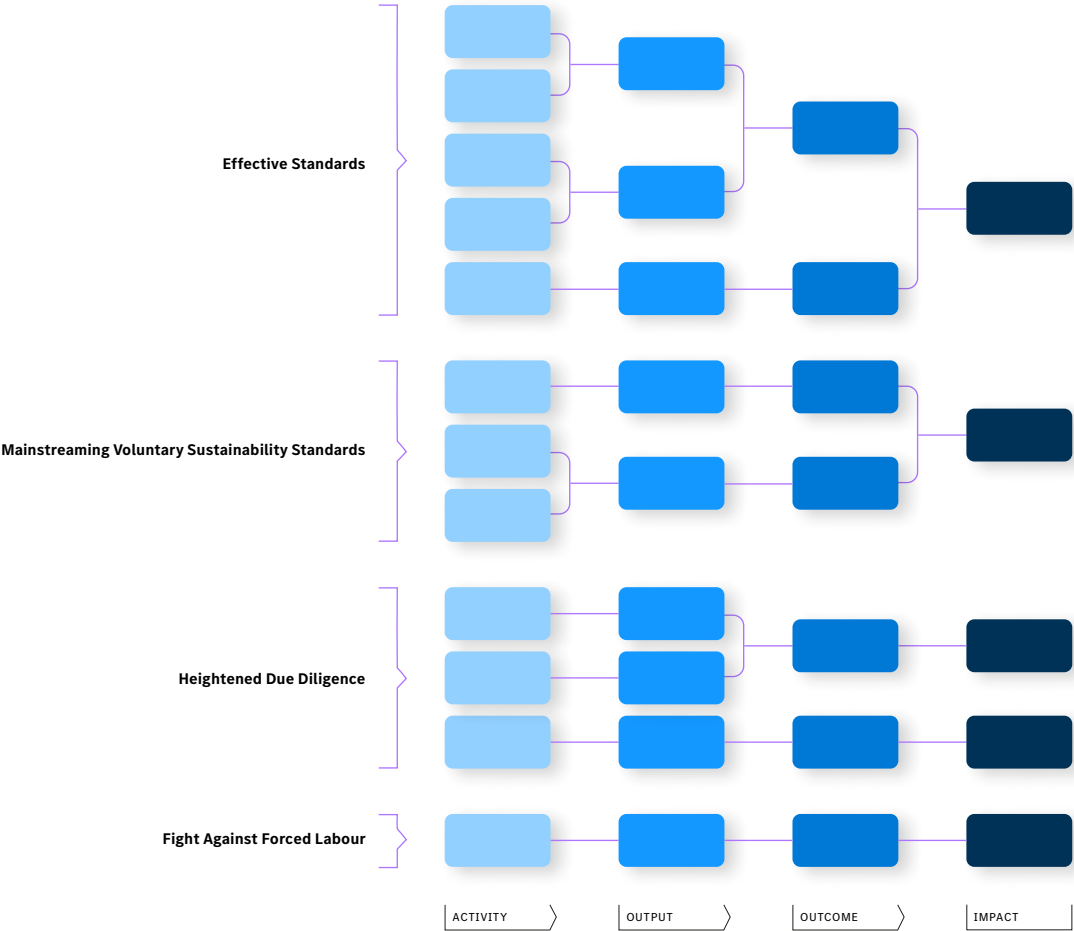
Demand is the strongest driver for the uptake of standards in raw material supply chains. Mercedes-Benz has thus introduced awarding premises for new projects related to aluminium focus part being contracted to source primary aluminium from ASI certified or IRMA audited mines achieving at least IRMA 50.

Heightened Due Diligence

Our raw material assessment identified the need for heightened due diligence in Guinea. A visit to Boke in May 2023 led to direct engagement with mining operators to address human rights and environmental impacts, highlighting the need for collaborative mitigation efforts. In Brazil, Mercedes-Benz partnered with Norsk Hydro for CO₂-reduced aluminium, respecting community rights and the rights of Indigenous Peoples. The Corridor Programme, initiated by Norsk Hydro, IMAZON, IPAM, and the Centro de Empreendedorismo da Amazonia, aims to drive social progress and protect biodiversity around Norsk Hydro's sites in Para.

Fight Against Forced Labour

Mercedes-Benz operates according to the principle of “empowerment before withdrawal”. Mercedes-Benz believes in significantly improving the status quo rather than taking the easiest route. Therefore, instead of simply excluding suppliers when issues arise, the company strives to collaborate with them to address the findings. Immediate exclusion may create the illusion of a “clean supply chain,” but it would not improve the situation for the workers and local people. Should this not be possible for various reasons, e.g. lack of cooperation and improvement in a defined timeframe or in case of state-imposed forced labour, Mercedes-Benz reserves the right to terminate business relationships with critical partners or restructure selected supply chains to eradicate forced labour in its supply chains.



→ For further information click here

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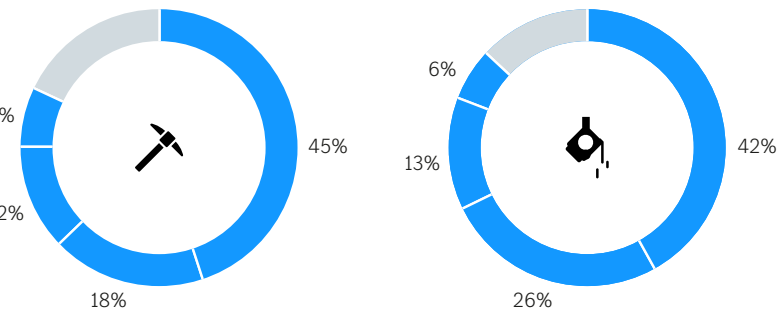
Cr

Chromium

Chromium

Raw Material Profile

Chromium is an essential alloying element in stainless and speciality steels, providing corrosion resistance, hardness, and durability for key automotive components. Its properties enable high-performance materials suitable for long-lasting, safety-critical applications. In addition, chromium plays a key role in advanced surface treatments and coatings widely applied across the automotive industry.



Mining and Beneficiation ³	Smelting and Refining ⁴
South Africa: 45%	China: 42%
Türkiye: 18%	South Africa: 26%
Kazakhstan: 12%	Kazakhstan: 13%
India: 7%	India: 6%

Risk Profile

- 1

Working Conditions incl. Occupational Health and Safety
- 2

Child Labour
- 3

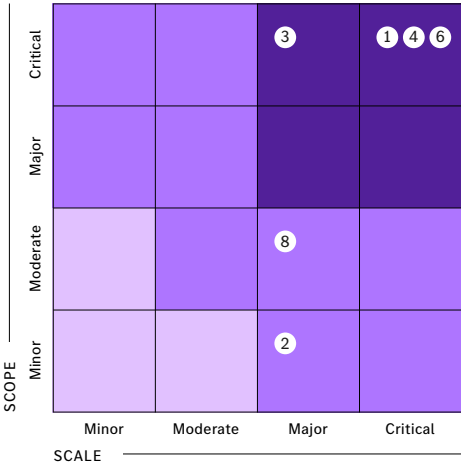
Modern Slavery incl. Forced Labour
- 4

Community and Indigenous Rights
- Excessive Violence by Public and Private Security Forces
- 6

Environmental Risks with Impact on Human Rights
- Business Conduct in CAHRAS
- 8

Serious Human Rights Abuses

Risk Analysis



Focus Parts/Commodities⁵

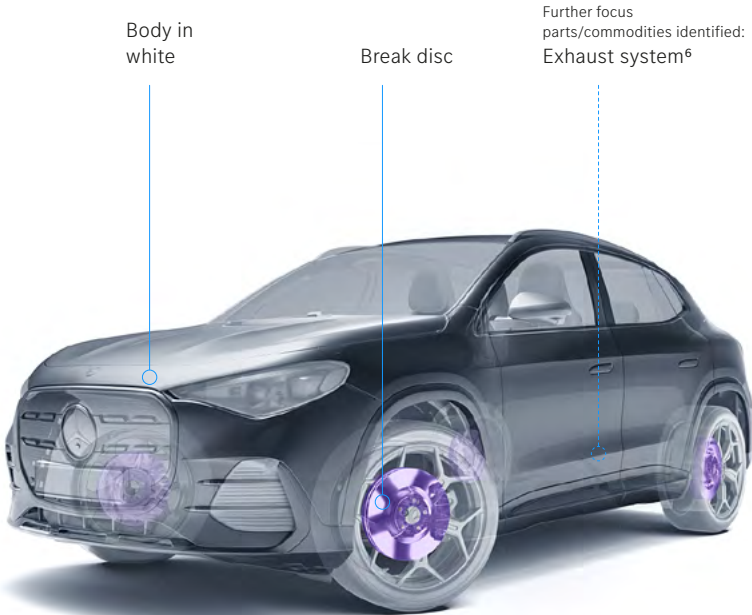


Illustration shown may not exactly reflect the original.
⁶ Vehicle shown is a battery-electric vehicle (BEV). Exhaust systems apply only to internal combustion engine (ICE) vehicles and are therefore not displayed.

³ ➤ USGS 2026, Data 2024
⁴ ➤ RMIS-Raw Materials Information System Ferrochrome
⁵ Raw materials identified within the steel cluster

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CrChromium

Chromium

Tier-1 / Direct Suppliers ⁷

n/a

Systematic Risk Context

Global chromite production is highly concentrated, with South Africa, Türkiye and Kazakhstan accounting for a significant share of global output. Chromium does not occur in nature in metallic form but is extracted from chromite (FeCr₂O₄), the key feedstock for ferrochrome production. Most chromite is used in metallurgical applications, where it is largely processed into various grades of ferrochrome that are essential for stainless steel production. By enhancing hardness, toughness and corrosion resistance, chromium contributes to the performance of stainless and speciality steels used in automotive components. Non-metallurgical uses include chrome plating, catalysts, pigments, leather tanning, glass colouring and refractory materials; however, these applications represent a comparatively minor share of total demand. China is the world’s largest importer of chromite and a leading producer of ferrochrome.

Chromite ore is predominantly extracted through large-scale open-pit and underground mining operations, depending on geological deposit characteristics. Near-surface podiform deposits are typically mined using open-pit methods involving overburden removal, drilling, blasting and hauling, whereas deeper stratiform deposits require underground mining techniques. After extraction, the ore undergoes beneficiation processes – including crushing, screening, gravity separation, magnetic separation and flotation – to increase chromium concentration and produce high-grade concentrates. Fine-grade ores are often agglomerated into pellets or briquettes to improve smelting efficiency. The central processing stage is the production of ferrochrome in electric arc furnaces (EAF), an energy-intensive process that produces chromium-rich alloys for use in global stainless steel supply chains.

The following salient risk areas have been identified across the chromium supply chain: occupational health and safety (OHS) risks are particularly significant in mining and smelting operations and include accidents, inadequate protective equipment, and exposure to carcinogenic hexavalent chromium (Cr(VI)), which poses severe risks to human health and the environment. Communities located in proximity to chromite mining and ferrochrome

processing sites are exposed to a range of adverse impacts, including forced displacement, severe Cr(VI) contamination of water resources, land degradation, structural damage to housing and infrastructure caused by blasting activities, as well as intimidation and threats linked to illegal mining operations. Environmental impacts, such as water and soil pollution as well as long-term ecosystem degradation – documented, for example, in India’s Sukinda Valley – illustrate the potential for environmental harm to translate into serious human rights risks. Lastly, modern slavery related risks, including forced labour, have been identified in specific high-risk regions.

Stakeholder Engagement

- Engagement with relevant stakeholders to strengthen contextual understanding of risks, facilitate knowledge sharing, and enable the identification of possible approaches to drive systemic improvements

⁷ The presented results reflect a point-in-time snapshot of collected supplier data and may evolve as additional submissions, suppliers, or updates are incorporated.

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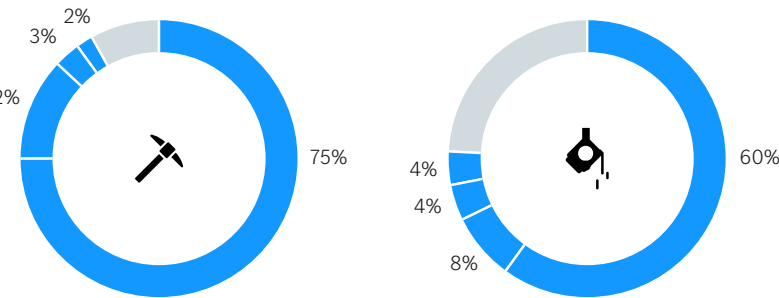
Co

Cobalt

Cobalt

Raw Material Profile

Cobalt is rarely found in its pure form but is largely produced as a by-product of copper or nickel mining. Cobalt is an important material for the energy transition. It is highly valued for its thermal stability and high energy density. As a result, cobalt is used in the cathodes of most types of lithium-ion batteries.



Mining and Beneficiation⁸

DRC: 75 %
Indonesia: 12 %
Russia: 3 %
Australia: 2 %

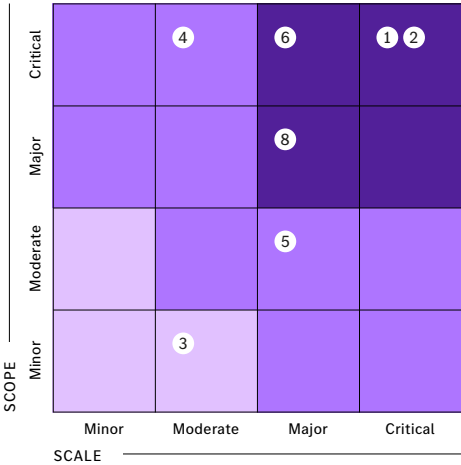
Smelting and Refining⁹

China: 60 %
EU: 8 %
DRC: 4 %
Zambia: 4 %

Risk Profile

- 1
- Working Conditions incl. Occupational Health and Safety
- 2
- Child Labour
- 3
- Modern Slavery incl. Forced Labour
- 4
- Community and Indigenous Rights
- 5
- Excessive Violence by Public and Private Security Forces
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- Business Conduct in CAHRAS
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- Serious Human Rights Abuses

Risk Analysis



Focus Parts/Commodities

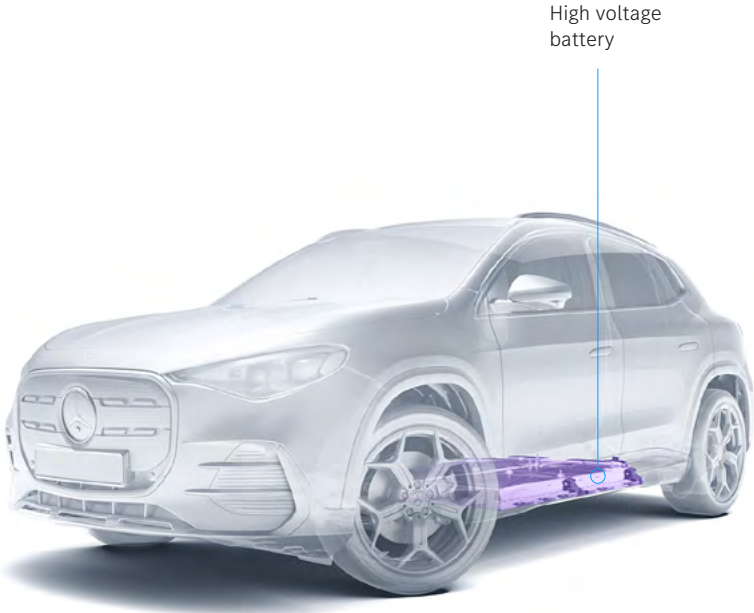


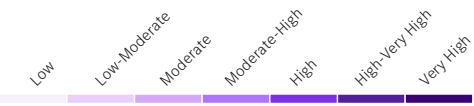
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⁸ ➤ USGS 2026, Data 2024
⁹ ➤ RMIS-Raw Materials Information System

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Cobalt



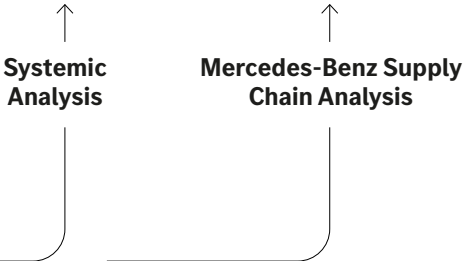
Environmental Risks

- RECYCLER
- BATTERY SUPPLIER
- CATHODE MANUFACTURER
- REFINER / TREATMENT UNIT
- LARGE SCALE MINE

EMISSIONS AND ENERGY PROFILE			WATER AND RESOURCE PRESSURE		POLLUTION OF SOIL AND WATER		BIODIVERSITY AND ECOSYSTEM INTEGRITY		WASTE, HAZARDOUS SUBSTANCES AND GEOLOGICAL RISKS		
GHG Emissions	Local Air Emissions	Energy Intensity	Water Consumption	Water Stress	Water Pollution	Soil Contamination	Land Use and Deforestation	Biodiversity (Species Diversity)	Hazardous Substances	Waste and Residues	Plant Safety and Geological Risks (Tailings Safety)
Very High	High	Very High		Moderate	Moderate-High		Low	Low	Moderate-High	Moderate-High	Low-Moderate
Very High	Moderate	High		Moderate	Moderate		Low	Moderate	High	Low-Moderate	Low-Moderate
Very High	High	Very High		Moderate	Moderate-High		Low	Low	Moderate-High	Moderate	Low-Moderate
High	Moderate	High	Moderate	Moderate	Moderate	Moderate	Low	Moderate	Moderate-High	Moderate	Moderate
High-Very High	High	High	High	Low-Moderate	High	High	Low	High	High	High-Very High	Moderate

Disclaimer on risk analysis results: The final environmental risk score per supply chain stage is derived from a combination of the results of the systemic risk analysis and the Mercedes-Benz supply chain-specific risk analysis. Where available, both assessment components are jointly considered to determine the overall risk profile. For certain risk categories, however, the final score is based on only one component of the risk analysis due to methodological constraints or limitations in data

availability. In such cases, the results should be interpreted accordingly. In addition, the systemic risk analysis refers to 1kg of raw material. This normalisation enables comparability across materials but does not reflect the actual quantities of different raw materials used in a vehicle. As some raw materials are used in significantly higher volumes than others, the overall risk profile at vehicle level may differ when material intensity is taken into account.



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Tier-1/ Direct Suppliers¹⁰

Number of existing suppliers behind all focus parts:	8
Average DDQ rating:	72%
Number of suppliers implementing measures to improve DDQ score:	0

Systematic Risk Context

As a by-product cobalt is principally mined at large-scale industrial mine sites using open pit and underground mining methods. Pyro-metallurgy (high temperature), hydro-metallurgy (water-based) and electrometallurgy (electricity-based) techniques are used to separate cobalt products from the ore. Cobalt mining is associated with more severe ESG risks than almost any other raw material. It is largely extracted in the Democratic Republic of the Congo, which is one of the lowest-performing countries worldwide regarding a number of governance indicators. Mercedes-Benz has identified material from the DRC in the company’s supply chains and has prioritised two salient risk areas: Working conditions incl. occupa-

tional health and safety and child labour. The most serious risks in cobalt mining mainly relate to the Democratic Republic of the Congo and almost all concern the artisanal mining sector. They are therefore concentrated on a relatively small part of the supply chain, which employs a large number of people. They have been rated High Risk for Scale and Scope. For scale as mining is one of the worst forms of child labour. Risks in OHS mainly reflect the inability to enforce safety standards in ASM (e.g., basis of absence of equipment, tunnel collapses) as well as in LSM operations (e.g., use of sub-contractors, absence of PPE). For scope as approx. 100–200 k people work in ASM and many more depend on their income. Due to extreme poverty, lack of alternatives to care and education, children support their families and are taken directly to the mine or washing sites. The number of working children cannot easily be distinguished from the total number of children present at mines.

In addition to social risks, the environmental risk analysis identifies mining as the main driver of environmental impacts along the cobalt supply chain. Cobalt ores often contain toxic associated elements such as arsenic, lead and in some cases uranium, which can be released into soils and water during extraction and processing. Mining generates large volumes of waste rock and tailings, which represent the primary source of ecotoxicity. Inadequate tailings management can result in severe environmental contamination and long-term damage to surrounding ecosystems and communities.

Hydrometallurgical processing and refining are both energy- and water-intensive and generate chemically contaminated wastewater. These stages are also major contributors to greenhouse gas emissions (GHG), particularly where fossil-based electricity or

coal-intensive energy systems are used. Further downstream, cathode and battery cell manufacturing involve high-temperature processes and dry rooms with substantial energy demand, while solvent use (such as NMP) can contribute to local air emissions if control measures are insufficient.

Environmental impacts vary significantly by region. In the Democratic Republic of the Congo, weak environmental regulation and enforcement exacerbate risks related to water and soil contamination and dust emissions. By contrast, production in countries such as Canada, Australia and parts of Europe is generally associated with lower environmental risk levels due to stricter environmental standards, modern processing technologies, water-recycling systems and lower-carbon electricity mixes.

To mitigate the identified risks, Mercedes-Benz supports the broad market adoption of robust sustainability standards and independent audits. Furthermore, Mercedes-Benz seeks to address underlying drivers of child labour, including extreme poverty, lack of community protection systems and alternative livelihood opportunities.

Stakeholder Engagement

- Ongoing dialogue with Industry Initiatives on status quo and trends in cobalt sector
- Ongoing sustainability dialogues with suppliers and sub-suppliers on due diligence measures and efforts
- Dialogue with mining company on potential environmental risks on site
- Further engagement on ASM cobalt mining

¹⁰ The presented results reflect a point-in-time snapshot of collected supplier data and may evolve as additional submissions, suppliers, or updates are incorporated.

01 FOREWORD	02 RAW MATERIALS	03 LOCAL SPOTLIGHTS	04 CROSS-CUTTING AREAS OF ACTION	05 SUSTAINABILITY INITIATIVES AND STANDARDS	06 RAW MATERIAL ASSESSMENT	07 ANNEX										
Raw Material Prioritisation	Aluminium	Chromium	Cobalt	Copper	Graphite	Iron	Leather	Lithium	Manganese	Mica	Nickel	PGMs	Rubber	REEs	Silica Sand and Silicon	3TG



Mercedes-Benz Risk Mitigation Strategy for Cobalt

Effective Standards

Standards hold significant potential to identify risks, induce and monitor continuous improvement as well as to support downstream manufacturers in effective due diligence management in supply chains. Mercedes-Benz is committed to improving existing standards by contributing to the development of standard systems that are effective in terms of governance, audit processes and address risk areas effectively through best practice standard requirements, such as through our standard guidance ([↗Guidance: Mining and Supply Chain Standards | MBSP 2.0](#)).

Mainstreaming Voluntary Sustainability Standards

Demand is the strongest driver for the uptake of standards in raw material supply chains. To increase demand, Mercedes-Benz publicly promotes the value of effective voluntary standards to key stakeholder groups, and continuously introduces awarding premises on mining level (such as IRMA or equivalent), as well as adequate standards at refiner level. Our goal is to apply these awarding requirements across all of our sourcing activities for focus commodities.

Supply Chain Due Diligence and Transparency

Transparency regarding high-risk actors and hotspots in the supply chain is key in strengthening due diligence measures in the supply chain. Over the last years, the company has intensively looked at battery supply chains. To improve due diligence measures, Mercedes-Benz audits supply chain partners against international standards, provide training as well as corrective action plans to support step-by-step performance improvement.

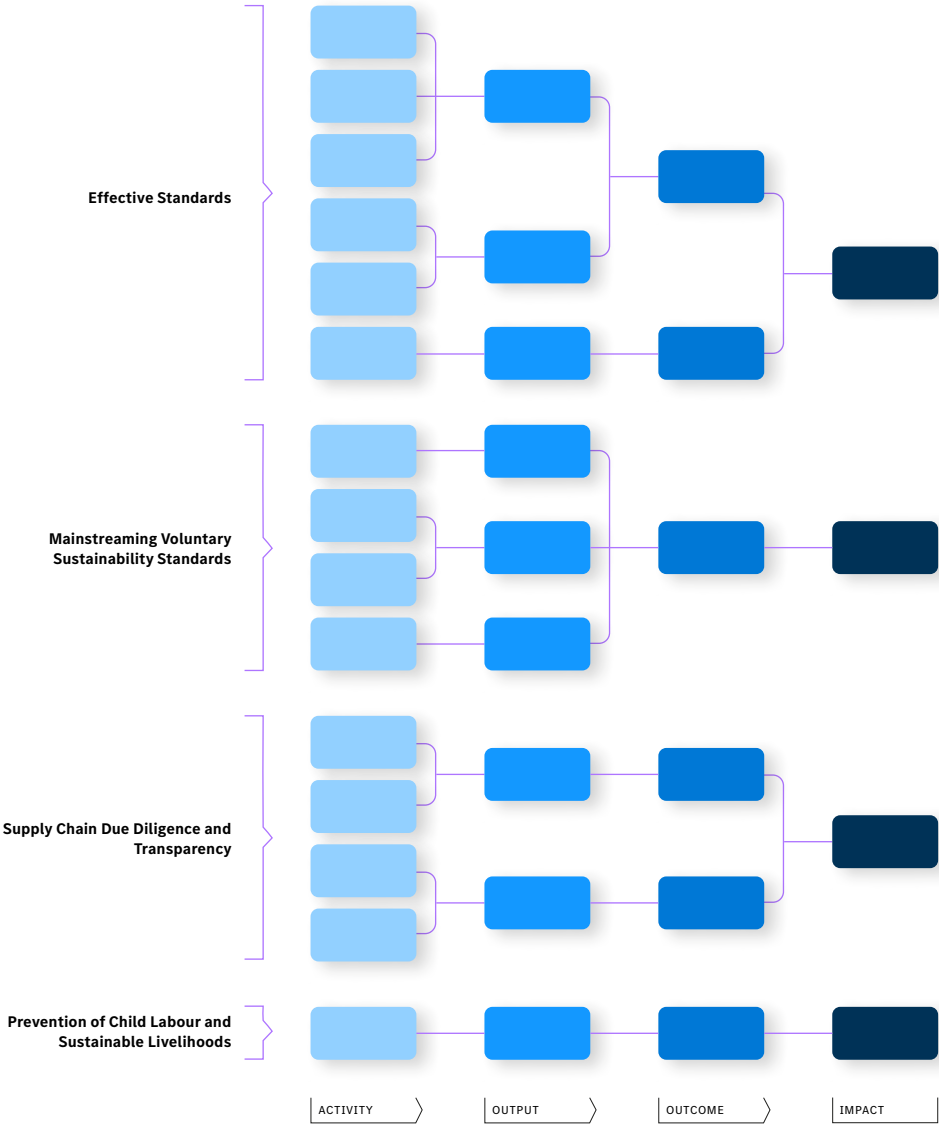
Prevention of Child Labour and Sustainable Livelihoods

Together with local project partner (Bon Pasteur) Mercedes-Benz aims to eliminate, prevent and remediate child labour in the Democratic Republic of the Congo (DRC). This is achieved by providing safe spaces for children with access to primary and secondary education and by training community members in new and existing income-generating activities beyond mining.

Responsible Management of ASM

Mercedes-Benz applies a cross-material ASM approach where ASM risks may be present. This includes internal guidance to ensure consistent decision-making and communication, and ASM specific expectations embedded in due diligence requirements. It is complemented by exchanges with suppliers, affected stakeholders and peers to raise awareness as well as through identification of high-risk suppliers and planned capacity-building. For more information on our ASM activities, see ([↗ASM](#)).

→ For further information click here



01 FOREWORD		02 RAW MATERIALS		03 LOCAL SPOTLIGHTS		04 CROSS-CUTTING AREAS OF ACTION				05 SUSTAINABILITY INITIATIVES AND STANDARDS				06 RAW MATERIAL ASSESSMENT			07 ANNEX
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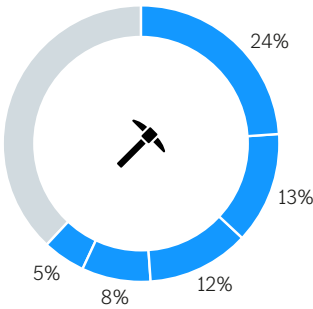
Cu

Copper

Copper

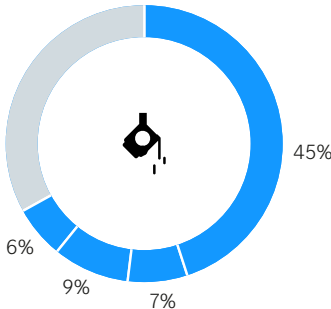
Raw Material Profile

Copper is a relatively abundant element and occurs in a range of minerals. It is an excellent conductor of heat and electricity and has therefore found its way into many applications of modern life. The role of copper for the automotive industry continues to increase.



Mining and Beneficiation¹¹

Chile:	24%
Congo:	13%
Peru:	12%
China:	8%
United States:	5%



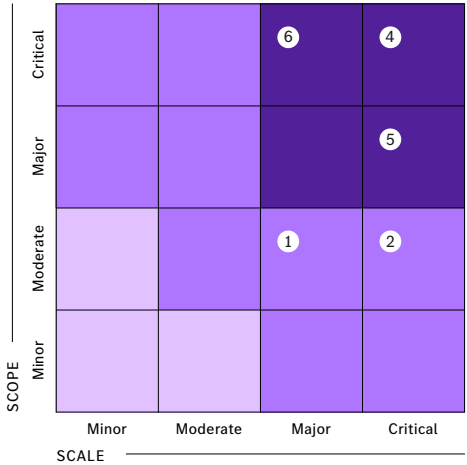
Smelting and Refining¹²

China:	45%
Russia:	9%
India:	7%
Canada:	6%

Risk Profile

- 1 Working Conditions incl. Occupational Health and Safety
- 2 Child Labour
- Modern Slavery incl. Forced Labour
- 4 Community and Indigenous Rights
- 5 Excessive Violence by Public and Private Security Forces
- 6 Environmental Risks with Impact on Human Rights
- Business Conduct in CAHRAS
- Serious Human Rights Abuses

Risk Analysis



Focus Parts/Commodities

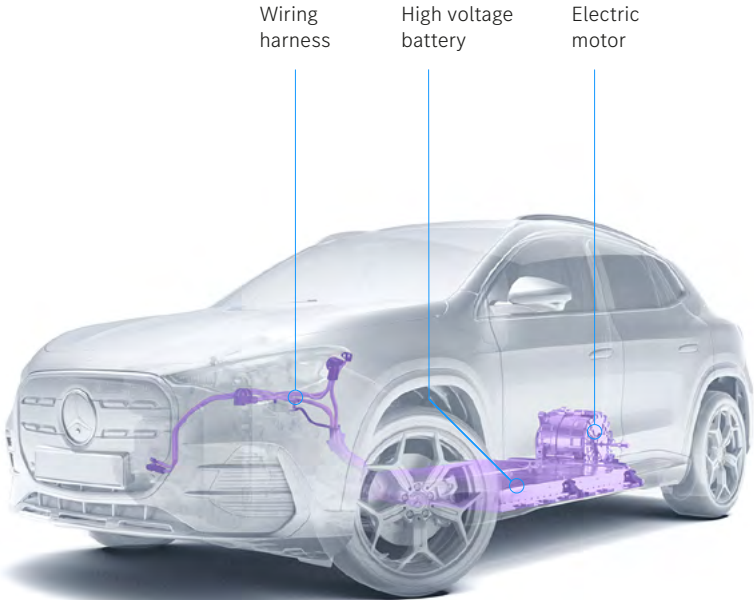


Illustration shown may not exactly reflect the original.

¹¹ > USGS 2026, Data 2024
¹² > RMIS-Raw Materials Information System

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Tier-1 / Direct Suppliers¹³

Number of existing suppliers behind all focus parts:	11
Average DDQ rating:	74%
Number of suppliers implementing measures to improve DDQ score:	0

Systematic Risk Context

Copper mining is usually conducted as open-pit mining at large-scale industrial mine sites over decades. The mining process of drilling, blasting, and hauling is a logistical challenge in its own right. Significant amounts of ore and waste rock need to be moved, leading to dust emissions from both the mined material and heavy traffic on dirt roads. With diminishing grades in existing copper projects, geologically more complex deposits come into focus, some of which contain silica and arsenic as harmful substances to human health. Copper processing involves toxic substances such as sulfuric acid that require constant and flawless monitoring. Finally, exposure of sulfidic rock to rainwater leads to the formation of sulfuric acid, which in turn dissolves metals from mineral-rich soils, potentially washing these toxic compounds into rivers and groundwater.

Mercedes-Benz has therefore identified environmental risks with impact on human rights as a high-risk area. With particular relevance in Chile, Peru, as well as in the Democratic Republic of the Congo, Zambia and Indonesia. This is in conjunction with community and indigenous rights and excessive violence of public and private security forces. There is a history of chronic conflict around copper mining grounded in the adverse impacts on livelihoods as well as health and safety of communities in the

vicinity of copper mines. In the past, some of these conflicts involving security forces have resulted in a significant number of injuries and deaths among protestors.

To effectively mitigate these identified risks, the focus of our risk mitigation strategy for copper is based on the conviction of the importance of standards due to their significant potential of inducing change in this industry. Mercedes-Benz therefore aims to promote the development and uptake of stringent sustainability standards such as Copper Mark and IRMA, as well as the auditing of mining operations against these standards.

Given that copper is often mined in conjunction with other minerals such as cobalt, which in some regions is associated with artisanal and small-scale mining (ASM), Mercedes-Benz also plans to deepen its understanding of potential ASM in copper extraction ([→ ASM](#)).

Stakeholder Engagement

- Continuous exchange with relevant NGOs and stakeholders on effective standards and practical implementation approaches
- Ongoing dialogue with Industry Initiatives on the status quo and trends in the copper sector

¹³ The presented results reflect a point-in-time snapshot of collected supplier data and may evolve as additional submissions, suppliers, or updates are incorporated.

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Mercedes-Benz Risk Mitigation Strategy for Copper

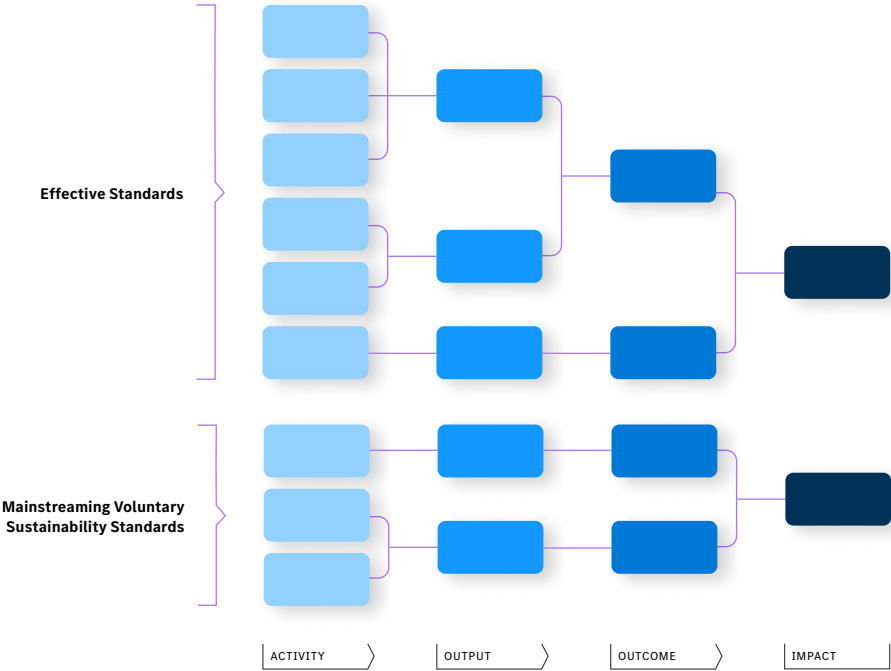
Effective Standards

Standards hold significant potential to identify risks, induce and monitor continuous improvement, as well as to support downstream manufacturers in effective due diligence management in supply chains. Mercedes-Benz is committed to improving existing standards by contributing to the development of standard systems that are effective in terms of governance, audit processes and address risk areas effectively through best-practice standard requirements, as outlined in the standard guidance ([↗ Guidance: Mining and Supply Chain Standards | MBSP 2.0](#)).

Mainstreaming Voluntary Sustainability Standards

Demand is the strongest driver for the uptake of standards in raw material supply chains. To increase demand, Mercedes-Benz publicly promotes the value of effective voluntary standards to key stakeholder groups, and continuously introduces awarding premises at mining level (such as IRMA or equivalent) as well as adequate standards at refiner level. Mercedes-Benz aims to apply these awarding requirements across all sourcing activities for the focus commodities.

→ For further information click here



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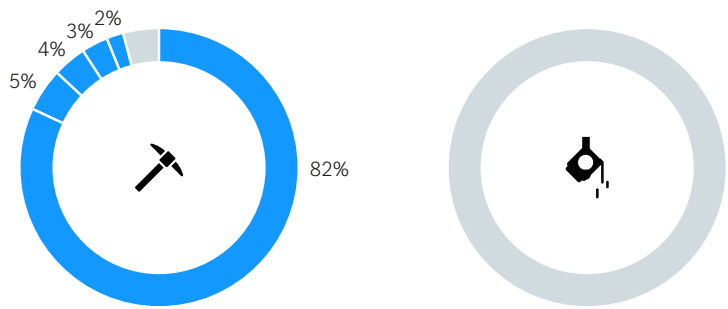
C

Graphite

Graphite

Raw Material Profile

Natural graphite is one of only a small number of elements that occurs in nature in its native form (not combined with other elements). Its chemical properties make it useful in a wide range of automotive applications, including foundries, steelmaking, power metallurgy, and lithium-ion batteries.



Mining and Beneficiation¹⁴

- China: 82 %
- Madagascar: 5 %
- Brazil: 4 %
- Mozambique: 3 %
- Tanzania: 2 %

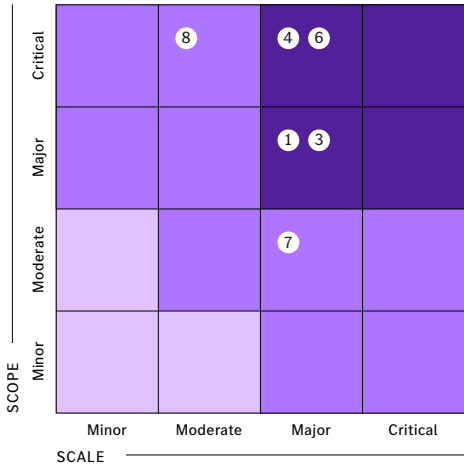
Smelting and Refining

n/a

Risk Profile

- 1 Working Conditions incl. Occupational Health and Safety
- Child Labour
- 3 Modern Slavery incl. Forced Labour
- 4 Community and Indigenous Rights
- Excessive Violence by Public and Private Security Forces
- 6 Environmental Risks with Impact on Human Rights
- 7 Business Conduct in CAHRAS
- 8 Serious Human Rights Abuses

Risk Analysis



Focus Parts/Commodities

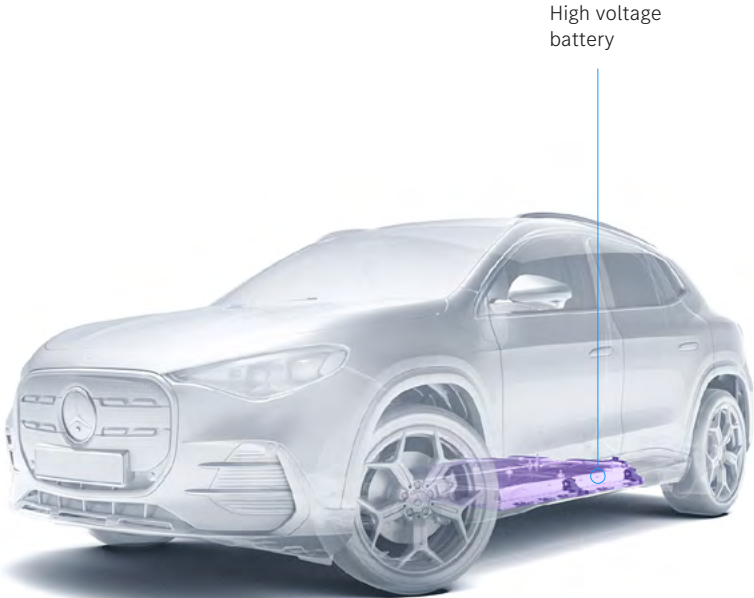


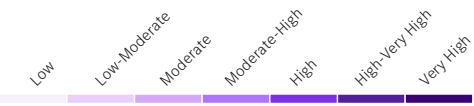
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¹⁴ > USGS 2026, Data 2024

01 FOREWORD		02 RAW MATERIALS		03 LOCAL SPOTLIGHTS		04 CROSS-CUTTING AREAS OF ACTION				05 SUSTAINABILITY INITIATIVES AND STANDARDS					06 RAW MATERIAL ASSESSMENT			07 ANNEX
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Graphite



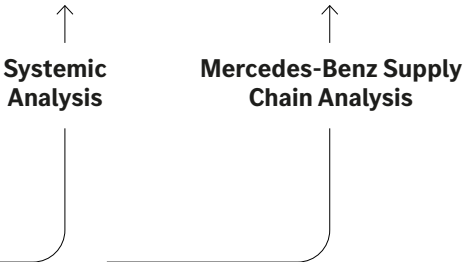
Environmental Risks

- RECYCLER
- BATTERY SUPPLIER
- ANODE MANUFACTURER
- REFINER / TREATMENT UNIT
- LARGE SCALE MINE

EMISSIONS AND ENERGY PROFILE			WATER AND RESOURCE PRESSURE		POLLUTION OF SOIL AND WATER		BIODIVERSITY AND ECOSYSTEM INTEGRITY		WASTE, HAZARDOUS SUBSTANCES AND GEOLOGICAL RISKS		
GHG Emissions	Local Air Emissions	Energy Intensity	Water Consumption	Water Stress	Water Pollution	Soil Contamination	Land Use and Deforestation	Biodiversity (Species Diversity)	Hazardous Substances	Waste and Residues	Plant Safety and Geological Risks (Tailings Safety)
Very High	Moderate	Very High		Low	Moderate		Low	Moderate	Moderate-High	Moderate-High	Low-Moderate
Very High	Moderate	High		Moderate	Moderate		Low	Moderate	Moderate-High	Low-Moderate	Low-Moderate
Very High	High	Very High		Moderate	Moderate		Low	Low	Moderate-High	Moderate	Low-Moderate
High	Moderate	High	Low	Moderate	Low-Moderate	Moderate	Low	Low-Moderate	Moderate	Low-Moderate	Low
High	Moderate	High	Low	High	Moderate	Moderate	Low	Low-Moderate	High	Moderate	Low

Disclaimer on risk analysis results: The final environmental risk score per supply chain stage is derived from a combination of the results of the systemic risk analysis and the Mercedes-Benz supply chain-specific risk analysis. Where available, both assessment components are jointly considered to determine the overall risk profile. For certain risk categories, however, the final score is based on only one component of the risk analysis due to methodological constraints or limitations in data

availability. In such cases, the results should be interpreted accordingly. In addition, the systemic risk analysis refers to 1kg of raw material. This normalisation enables comparability across materials but does not reflect the actual quantities of different raw materials used in a vehicle. As some raw materials are used in significantly higher volumes than others, the overall risk profile at vehicle level may differ when material intensity is taken into account.



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Graphite

Tier-1/ Direct Suppliers¹⁵

Number of existing suppliers behind all focus parts:	11
Average DDQ rating:	78%
Number of suppliers implementing measures to improve DDQ score:	0

Systematic Risk Context

Natural graphite, valued for its high conductivity and thermal stability, is predominantly mined through open pit and underground methods. Graphite ore is processed into a concentrate with 85–90% carbon content. For applications like lithium-ion batteries in the automotive industry, further refinement to over 99% purity is necessary, though this process is costly and can waste up to 70% of the initial material. In addition to natural graphite, synthetic graphite is also used. Produced from carbon-rich materials like petroleum coke, synthetic graphite offers high purity and customisable properties.

Four salient risk areas have been identified in graphite mining: working conditions including occupational health and safety, community and indigenous rights, modern slavery including forced labour, and environmental risks with impact on human rights. There is for example weak health and safety awareness and/or enforcement when it comes to the exposure of graphite dust during blasting and grinding, which can cause severe lung diseases. Moreover, environmental pollution like severe air and water contamination linked to production facilities affects the right of local communities to health and living standards. Additionally, mining operations generate substantial amounts of waste, including tailings containing potentially problematic metals like uranium, nickel, and mercury. These risks are prevalent in countries such as China, Madagascar, and Mozambique, which account for nearly 90% of global production. The risks are high due to the environmental impact of mining, insufficient community engagement, and land rights conflicts.

The environmental risk analysis shows that graphite, similar to other battery raw materials, is associated with elevated impacts from high energy intensity and greenhouse gas emissions (GHG) along the supply chain. These risks are particularly pronounced for synthetic graphite, where extremely energy-intensive graphitisation processes result in high fossil resource consumption and CO₂ emissions. For natural graphite, additional impacts arise from mining and beneficiation activities, including local air emissions, especially particulate matter generated by blasting, crushing and the use of diesel-powered machinery.

Furthermore, hazardous substances and waste represent a material environmental risk in graphite mining and refining. In natural graphite production, tailings and chemically contaminated wastewater from purification processes may contain sulphates or heavy metals and can affect soil and water quality if not responsibly managed.

A significant concern is the widespread lack of sustainability standards in the graphite industry at both mining and refining levels, which limits effective risk mitigation. Therefore, the focus of our risk mitigation strategy for graphite is on the development and market adoption of adequate sustainability standards within the industry to address these concerns and reduce the negative impacts associated with graphite mining and processing.

Stakeholder Engagement

- On-site visit of natural graphite mine in India
- Lead of RMI Graphite Working Group

¹⁵ The presented results reflect a point-in-time snapshot of collected supplier data and may evolve as additional submissions, suppliers, or updates are incorporated.

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Mercedes-Benz Risk Mitigation Strategy for Graphite

Effective Standards

Standards hold significant potential to identify risks, induce and monitor continuous improvement, as well as supporting downstream manufacturers in effective due diligence management in supply chains. Mercedes-Benz is committed to improving existing standards by contributing to the development of standard systems that are effective in terms of governance, audit processes, and address risk areas effectively through best-practice standard requirements, such as through our standard guidance ([↗Guidance: Mining and Supply Chain Standards | MBSP 2.0](#)).

Mainstreaming Voluntary Sustainability Standards

Demand is the strongest driver for the uptake of standards in raw material supply chains. To increase demand, Mercedes-Benz publicly promotes the value of effective voluntary standards to key stakeholder groups and continuously introduces awarding premises on mining-level (such as IRMA or equivalent) as well as adequate standards on refiner-level. Our goal is to apply these awarding requirements across all of our sourcing activities for focus commodities.

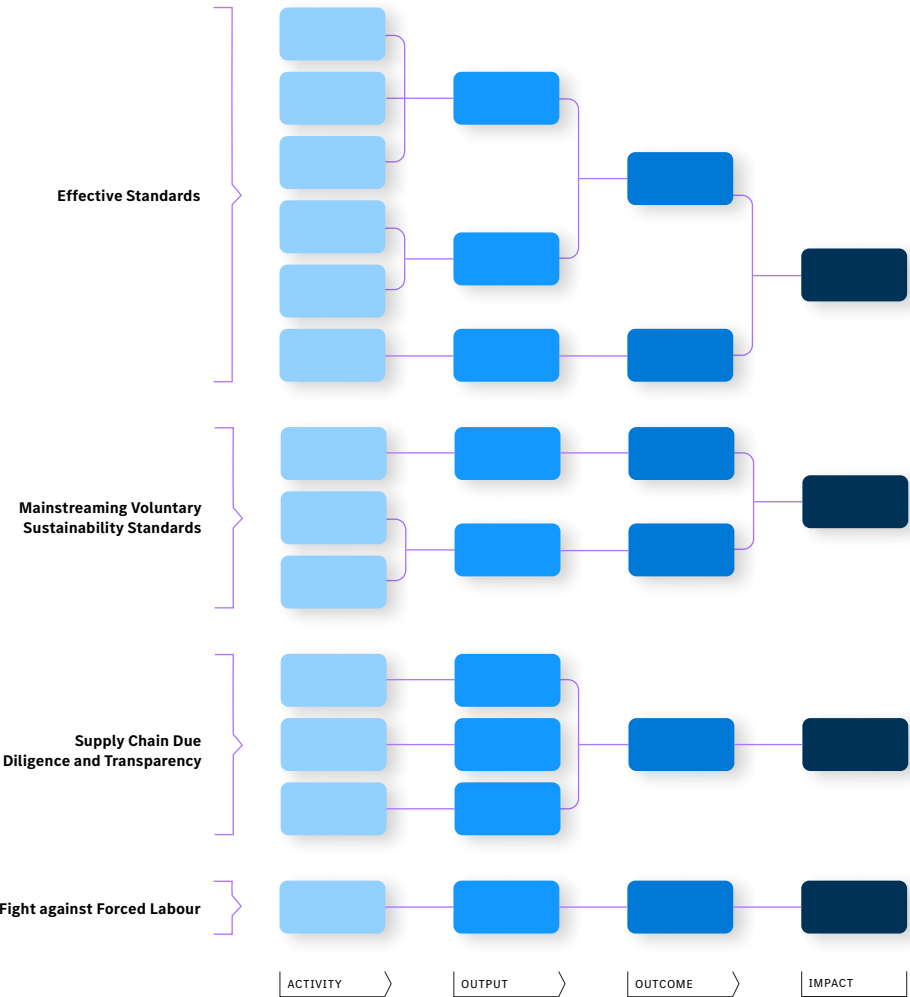
Supply Chain Due Diligence and Transparency

Transparency on high-risk actors and hotspots in the supply chain is key when it comes to enhancing due diligence measures in the supply chain. Over the last years, Mercedes-Benz has intensively looked at its own battery supply chains, from cell suppliers through to mine sites. To improve their due diligence measures, Mercedes-Benz audits them against international standards, provide trainings as well as corrective action plans to better their performance step-by-step.

Fight against Forced Labour

Mercedes-Benz operates according to the principle of “**empowerment before withdrawal**”. Mercedes-Benz believes in significantly improving the status quo rather than taking the easiest route. Therefore, instead of simply excluding suppliers when issues arise, Mercedes-Benz strives to collaborate with them to address the findings. Immediate exclusion might create the illusion of a “clean supply chain,” but it would not improve the situation for the workers and local people. Should this not be possible for various reasons, e.g. lack of cooperation and improvement in a defined timeframe or in case of state-imposed forced labour, Mercedes-Benz reserves the right to terminate business relationships with critical partners or restructure selected supply chains to eradicate forced labour in its supply chains. This approach helps Mercedes-Benz to prepare for and align with various regulatory requirements such as CSDDD and meets our own internal ethical standards.

→ For further information click here



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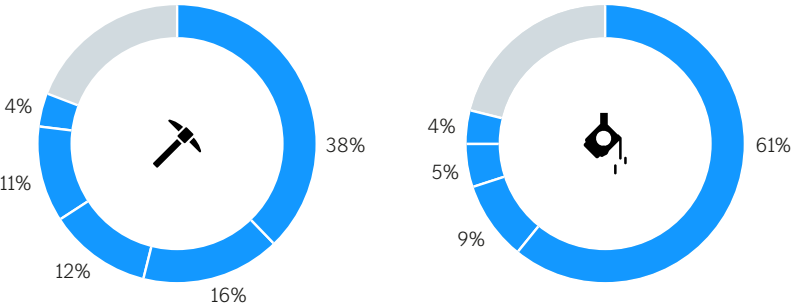
Fe

Iron

Iron

Raw Material Profile

Iron is a fundamental material for global steel production, providing the core strength, durability, and structural performance required for a wide range of automotive components. As the primary input for advanced and high-strength steel grades, iron enables lightweight vehicle design, improved crash safety, and overall efficiency. Beyond its significant role in steelmaking, iron's geological abundance and high recyclability make it a strategically important resource across industrial supply chains.



Mining and Beneficiation¹⁶

Australia: 38 %
Brazil: 16 %
India: 12 %
China: 11 %
Iran: 4 %

Smelting and Refining¹⁷

China: 61 %
India: 9 %
Japan: 5 %
Russia: 4 %

Risk Profile

- 1

Working Conditions incl. Occupational Health and Safety
- 2

Child Labour
- 3

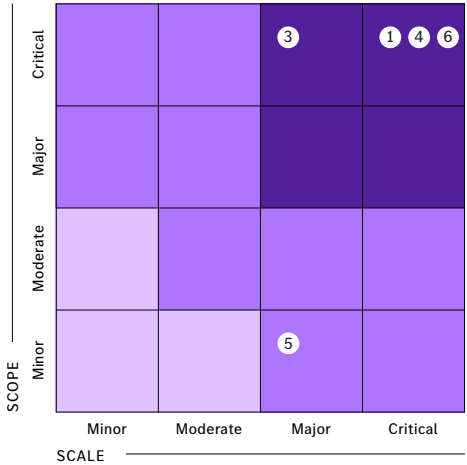
Modern Slavery incl. Forced Labour
- 4

Community and Indigenous Rights
- 5

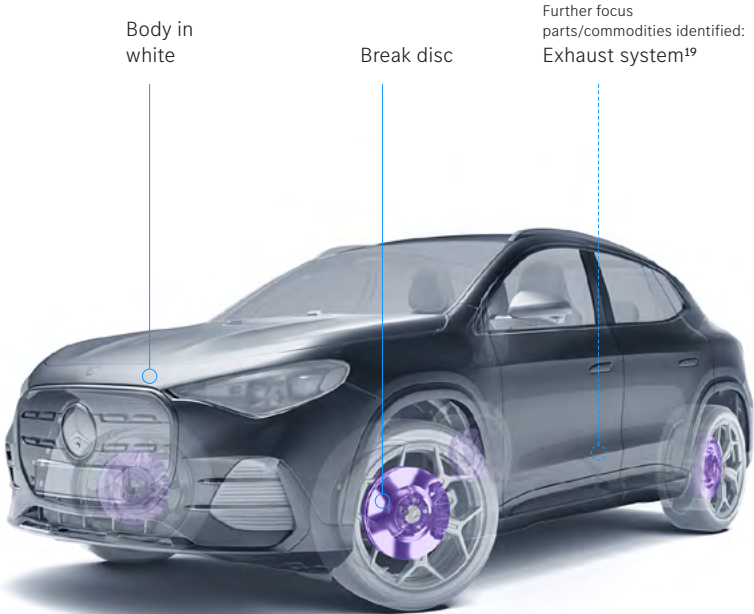
Excessive Violence by Public and Private Security Forces
- 6

Environmental Risks with Impact on Human Rights
- Business Conduct in CAHRAS
- Serious Human Rights Abuses

Risk Analysis



Focus Parts/Commodities¹⁸



¹⁸ Illustration shown may not exactly reflect the original.

¹⁹ Vehicle shown is a battery-electric vehicle (BEV). Exhaust systems apply only to internal combustion engine (ICE) vehicles and are therefore not displayed.

¹⁶ > USGS 2026, Data 2024

¹⁷ > RMIS-Raw Materials Information System

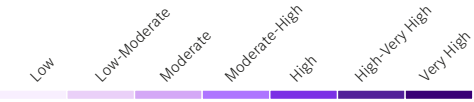
¹⁸ Raw materials identified within the steel cluster

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Fe

Iron

Iron



Environmental
Risks

		EMISSIONS AND ENERGY PROFILE			WATER AND RESOURCE PRESSURE		POLLUTION OF SOIL AND WATER		BIODIVERSITY AND ECOSYSTEM INTEGRITY		WASTE, HAZARDOUS SUBSTANCES AND GEOLOGICAL RISKS		
		GHG Emissions	Local Air Emissions	Energy Intensity	Water Consumption	Water Stress	Water Pollution	Soil Contamination	Land Use and Deforestation	Biodiversity (Species Diversity)	Hazardous Substances	Waste and Residues	Plant Safety and Geological Risks (Tailings Safety)
STEEL; BLAST FURNACE ROUTE (BF-BOF) (1 KG)	Steelmakers	Moderate	Moderate	Moderate-High	Moderate	Under evaluation	Moderate	Moderate	Low	Moderate	Very High	Moderate	Under evaluation
	Primary Iron Producers (pig iron, iron sinter/pellet)	High	Moderate	High	Low	Under evaluation	Moderate	Moderate	Low	Moderate	Moderate	Moderate	Under evaluation
	Iron Ore Miners	Low-Moderate	Moderate	Low-Moderate	Low	Under evaluation	Low	Moderate	Low	Low-Moderate	Moderate	Low	Under evaluation
STEEL; ELECTRIC ARC FURNACE (EAF) ROUTE (1 KG)	Steelmakers	Moderate-High	Moderate-High	High	Moderate	Under evaluation	Moderate	Moderate	Low	Moderate	High	High	Under evaluation
	Primary Iron Producers (pig iron, iron sinter/pellet, sponge iron)	Moderate	Low	Moderate	Low-Moderate	Under evaluation	Low-Moderate	Low	Low	Low-Moderate	Moderate	Moderate-High	Under evaluation
	Iron Ore Miners	Low	Low	Low	Low	Under evaluation	Low	Low-Moderate	Low	Low	Low	Low	Under evaluation

Disclaimer on environmental risk analysis results (Steel): The environmental risk analysis for steel currently relies exclusively on the systemic risk assessment, as the Mercedes-Benz-specific supply chain analysis is still under development. As a result, site-specific evaluations of supply chain actors and certain regional risk factors are not yet fully available and will be integrated in subsequent analysis cycles once relevant data become accessible. The assessment differentiates between two production routes – the blast furnace route and the electric arc furnace (EAF) route – as environmental risk profiles and impact drivers differ significantly between these technologies. The results therefore reflect route-specific systemic

risks. Furthermore, the systemic risk analysis is normalised to 1 kg of material. This normalisation enables methodological consistency and comparability across materials and production routes but does not reflect the actual quantities of steel used in a vehicle. Given that steel is one of the most material-intensive inputs by mass, the overall environmental risk at vehicle level may be higher when material volumes are taken into account. Accordingly, the current analysis provides a first, risk-based prioritisation of environmental risk areas and production routes. The results should be interpreted as an initial screening, to be further refined as Mercedes-Benz-specific supply chain and location-level data become available.

↑
Systemic
Analysis

01 FOREWORD		02 RAW MATERIALS		03 LOCAL SPOTLIGHTS		04 CROSS-CUTTING AREAS OF ACTION				05 SUSTAINABILITY INITIATIVES AND STANDARDS					06 RAW MATERIAL ASSESSMENT			07 ANNEX
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Tier-1/ Direct Suppliers²⁰

n/a

Systematic Risk Context

Iron ore is a key global mineral resource and fundamental to modern industrial development. Although iron is abundant as the fourth most common element in the Earth’s crust, it is rarely found in metallic form and is primarily extracted from hematite (Fe₂O₃) and magnetite (Fe₃O₄). The majority of mined iron ore is used in iron and steel production, making iron the basis of the world’s most widely used metal. Australia and Brazil are the leading iron ore producing countries.

The extent and type of ore processing required for steel production depend on both the selected production route and the characteristics of the extracted iron ore. In the blast furnace route, high-grade ores with suitable lump sizes can be used as direct shipping ore (DSO), requiring only crushing and screening prior to use. However, as high-grade deposits decline and the transition toward direct-reduction technologies accelerates, additional beneficiation steps – such as

grinding, magnetic separation, and agglomeration – are increasingly required to meet the specific input specifications of each production route. Steel is produced via two main pathways. In the blast furnace–basic oxygen furnace (BF-BOF) route, iron ore is reduced and smelted together with coke and fluxes to produce molten iron, which is subsequently refined into crude steel. In the electric arc furnace (EAF) route, various iron inputs – typically a blend of scrap and primary iron – are melted using electrical energy. The primary iron component may include direct reduced iron (DRI), which is produced by reducing iron ore in the solid state using natural gas or hydrogen. The molten or refined steel is subsequently cast into semi-finished products and further processed into finished goods for downstream manufacturing.

The following salient risks concerning human rights have been identified: occupational health and safety (OHS) risks include fatalities, serious injuries, as well as chronic respiratory diseases, often resulting from inadequate safety management and lack of personal protective equipment. Tailing dam failures can result in large-scale fatalities and cause long-term harm to surrounding communities. Community and indigenous rights risks arise from land acquisition, resettlement, and insufficient protection of culturally significant sites, particularly where the principle of free, prior, and informed consent (FPIC) is not upheld. Environmental risks with human rights implications include groundwater depletion, water contamination, and biodiversity loss, all of which can affect health, access to clean water and the livelihoods of local and Indigenous communities. Lastly, forms of modern slavery and forced labour have been identified as salient risks within the iron supply chain.

In addition to the human rights assessment, the iron ore and steel supply chain was evaluated for systemic environmental risks, focusing

on the BF-BOF route and the EAF route. For the BF-BOF route, the systemic risk analysis identifies key environmental hotspots at the steel and pig iron production. These risks are driven by high energy intensity, direct CO₂ emissions, coal and coke demand, water pollution related to treatment of sulphur-containing tailings, and particulate air emissions.

For the EAF route, major environmental hotspots are also observed at the steel production stage, primarily due to high electricity demand and increased risks related to water pollution arising from ecotoxic emissions from wastewater handling. Overall, the results indicate that environmental risk profiles differ significantly by the production route and process stage. The analysis provides a first, risk-based prioritisation of environmental hotspots and highlights the importance of production technology and material intensity when interpreting environmental risks in the iron and steel supply chain. To address these hotspots, particularly greenhouse gas emissions (GHG), Mercedes-Benz has initiated decarbonisation measures, including a supply agreement for around 50,000 tonnes of near CO₂-free steel per year from Stegra, produced using hydrogen-based DRI and EAF technology. This partnership supports the transition towards hydrogen based steel production and contributes to the development of a decarbonised steel supply chain.

Stakeholder Engagement

- Engagement with relevant stakeholders to strengthen contextual understanding of risks, facilitate knowledge sharing, and enable the identification of possible approaches to drive systemic improvements

²⁰ The presented results reflect a point-in-time snapshot of collected supplier data and may evolve as additional submissions, suppliers, or updates are incorporated

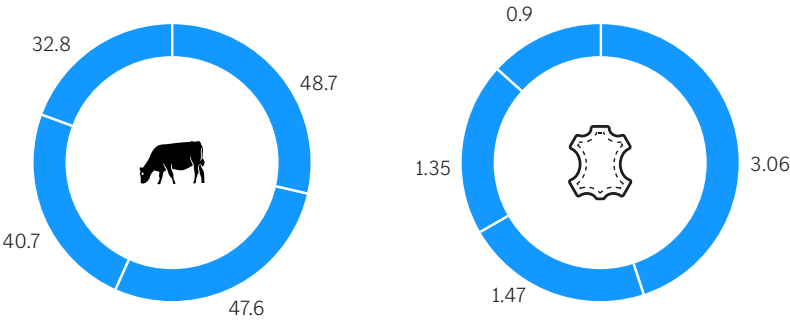
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Leather

Raw Material Profile

Leather is a durable and flexible material used for centuries in various applications such as apparel, footwear, and automotive interiors. It is produced from animal hides that are by-products of the meat, and dairy industries. Owing to its high stability, flexibility and long-term durability, leather is well suited for various interior components in vehicles.



Cattle Farming²¹

India: 48.7 million cattle hides
China: 47.6 million cattle hides
Brazil: 40.7 million cattle hides
USA: 32.8 million cattle hides

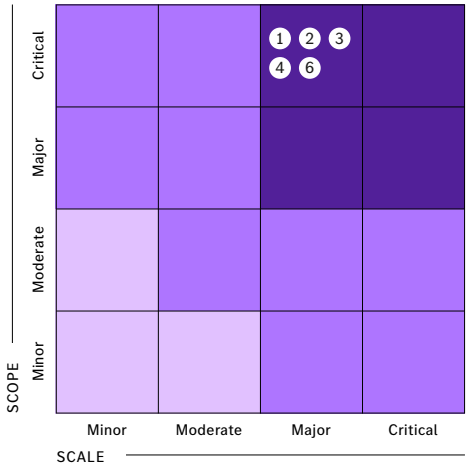
Tanning²²

Italy: USD 3.06 billion
United States: USD 1.47 billion
Brazil: USD 1.35 billion
China: USD 0.90 billion

Risk Profile

- 1 Working Conditions incl. Occupational Health and Safety
- 2 Child Labour
- 3 Modern Slavery incl. Forced Labour
- 4 Community and Indigenous Rights
- Excessive Violence by Public and Private Security Forces
- 6 Environmental Risks with Impact on Human Rights
- Business Conduct in CAHRAS
- Serious Human Rights Abuses

Risk Analysis



Focus Parts/Commodities

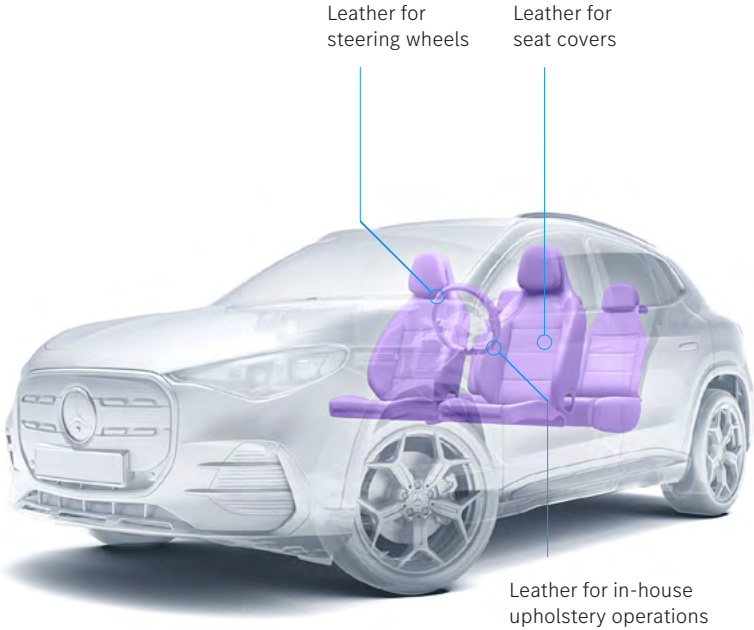


Illustration shown may not exactly reflect the original.

²¹ > The Global Resource for the Leather Industry
²² > UN Comtrade data, visualised by the Observatory of Economic Complexity (OEC)

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Leather

Tier-1/ Direct Suppliers

Number of existing suppliers behind all focus parts:	7
Average DDQ rating:	60%
Number of suppliers implementing measures to improve DDQ score:	1

Systematic Risk Context

The leather supply chain is globally structured, spanning pre-treatment, tanning, and finishing stages, with major processing hubs located across Europe, South America, and Asia. While the global leather supply chain is geographically diverse, Mercedes-Benz’ automotive leather sourcing follows a “local for local” approach, with sourcing across Europe, North and South America, and South Africa. From a circularity perspective, using hides as by-products contributes to resource efficiency by ensuring that materials that would otherwise be discarded are transformed into durable components. This positions leather within a supply chain where resource utilization and product longevity are key performance dimensions.

Across the leather supply chain, systemic environmental, human rights and animal welfare risks can arise both upstream (cattle production, farms, transports, and slaughterhouses) and downstream (tanning and finishing).

Intensive livestock production can include deforestation (in some contexts illegal deforestation), soil degradation, and biodiversity loss, particularly in high-risk regions such as the Amazon, with potential adverse effects on Indigenous Peoples and local communities (e.g., land-tenure insecurity and inadequate consultation). Human rights risks can include discrimination, insufficient occupational health and safety and difficult working conditions, and in certain contexts the risk of child labour. Animal welfare risks include inadequate welfare practices. These issues can be particularly pronounced in deeper tiers due to dynamic sourcing structures, complexity, and limited transparency.

At tanning and finishing stages, key risks relate to chemical use and insufficient wastewater, effluent, and emissions controls, potentially causing water and air pollution, alongside occupational health, and safety risks such as hazardous chemical exposure where controls and protective measures are inadequate. Where labour protections are weak or enforcement is limited, child or forced labour risks may occur in certain contexts, and informal sector structures can further increase vulnerability. Depending on country context, risk severity can range from major to critical.

Risk likelihood and severity vary by location and partner set-up. Traditional tanning in low- and middle-income countries is often associated with higher environmental and human rights risks due to limited infrastructure and weaker enforcement, while highly controlled industrial tanning for automotive leather can reduce environmental impacts. While child labour and modern slavery remain a systemic risk in global leather supply chain, we can effectively exclude a Mercedes-Benz-specific risk for both areas due to our current sourcing footprint.

Stakeholder Engagement

- Ongoing dialogue with suppliers and sub-suppliers on supply chain transparency, due diligence measures, and independent tannery certification
- Risk-based engagement with upstream actors (tier-n), focusing, e.g., on traceability and deforestation risk mitigation
- Collaboration with an international organization and a supplier to implement and verify traceability and monitoring solutions in high-risk regions ([→ Spotlight Leather](#))
- Continuous exchange with relevant NGOs and stakeholders on effective standards and practical implementation approaches
- Regular field visits to risk regions to reassess complex local dynamics from a sustainability perspective. Findings are used to adapt measures, ensuring that local context and stakeholder needs are reflected

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Mercedes-Benz Risk Mitigation Strategy for Leather

Supply Chain Transparency and Due Diligence

Mercedes-Benz applies a risk-based due diligence system across the leather supply chain aligned with its Responsible Sourcing Standards. Before supplier nomination, tier-1 suppliers must provide detailed upstream data via a mandatory supply chain tracking tool, covering farm regions, slaughterhouses, tanneries, and finishing locations. These requirements are contractually binding and assessed through documentation reviews, AI-supported risk-screening processes, onsite visits, and continuous engagement with direct and upstream suppliers.

Mitigating (Illegal) Deforestation and Regulatory Preparedness

Deforestation is a material risk in cattle-based supply chains. Under Mercedes-Benz' Responsible Sourcing Standards, suppliers must ensure prevention of illegal deforestation and implement upstream due diligence measures across their supply chains. Well ahead of the EU Deforestation Regulation (EUDR, effective December 2026), Mercedes-Benz has implemented and continues to strengthen core due diligence elements (→ [Spotlight Brazil](#)). For EUDR readiness, Mercedes-Benz uses an IT-enabled due diligence tool to collect batch-level origin and geolocation data and conduct geospatial screening, enabling verification of compliance and deforestation-free sourcing for all parts identified as EUDR affected.

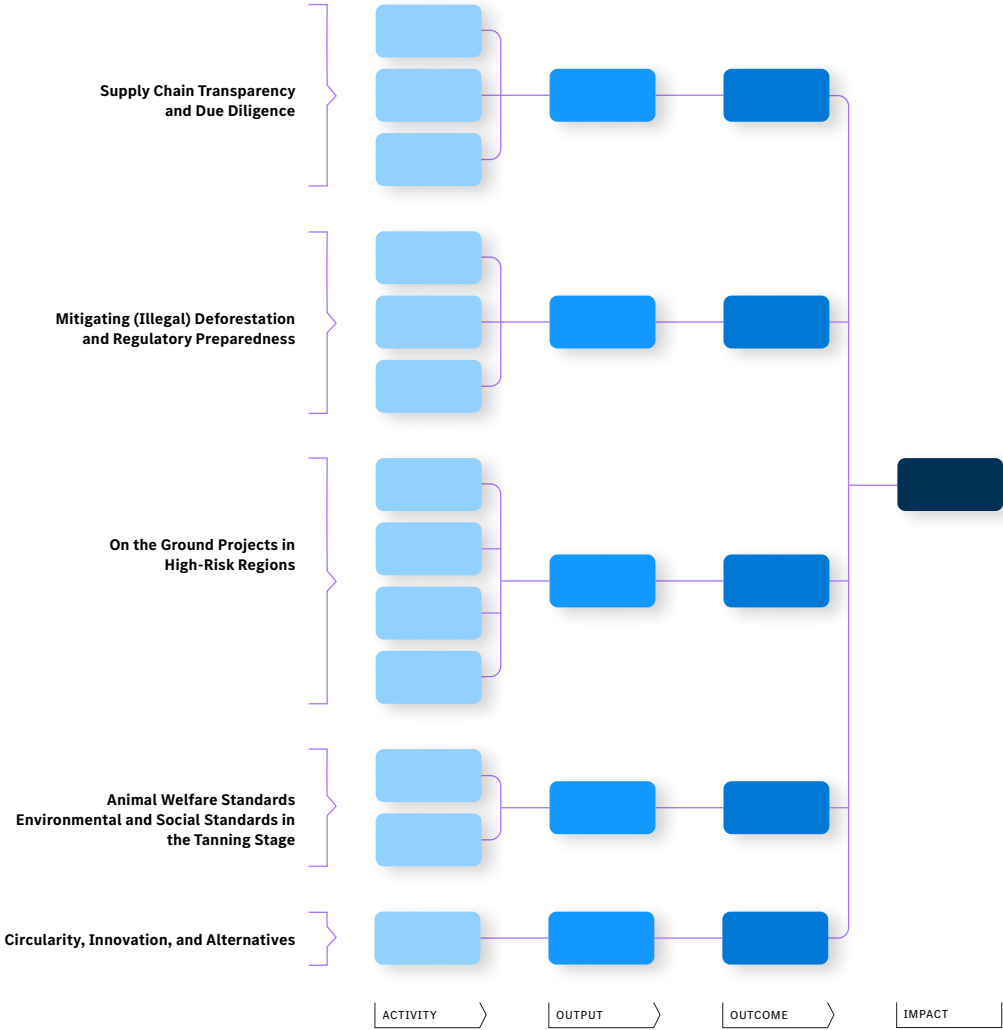
On the Ground Projects in High-Risk Regions (→ [Spotlight Brazil](#))

Mercedes-Benz engages in targeted initiatives in high-risk sourcing regions. In Brazil (less than 5% of our leather volume), activities focus on traceability improvements, satellite-based monitoring, and multi-stakeholder collaboration to support deforestation-free supply chains and rights of Indigenous Peoples.

Results:

- 100% traceability to birth farms
- 100% verification of tier-1 suppliers
- More than 60% verification at tier-n and more than 50% at birth-farm level

→ For further information click here



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Mercedes-Benz Risk Mitigation Strategy for Leather

Animal Welfare Standards

Suppliers must evidence compliance with applicable welfare standards and the Five Freedoms at nomination (audits, certifications, or monitoring), including animal-appropriate handling, minimised transport, and farm/abattoir audits. Potential violations are thoroughly investigated and can be reported via the Business Practices Office (BPO) whistleblowing system.

Environmental and Social Standards in the Tanning Stage

To mitigate environmental and social risks in tanning, Mercedes-Benz has required Leather Working Group (LWG) Gold level audits for all sourcing decisions since 2022. This ensures strict controls over water, energy, and chemical use, emissions, worker safety, and social compliance.

Results:

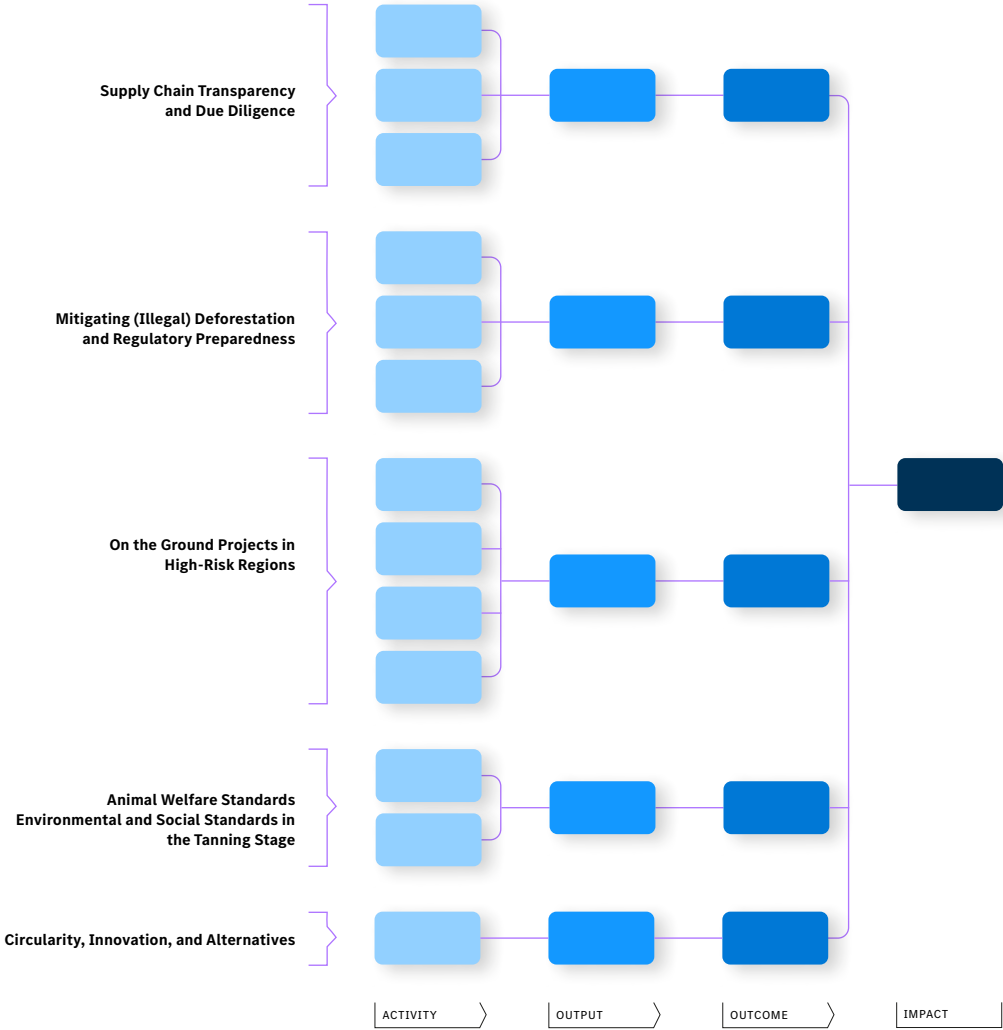
- 100% of tier-1 suppliers are LWG audited
- Over 80% of tanneries meet the LWG Gold standard

Circularity, Innovation, and Alternatives

Mercedes-Benz strengthens circularity by using hides as by-products of the meat industry and reducing environmental impacts across tanning. Key measures involve:

- Expanding plant-based and organic mineral tanning (e.g., coffee husks, chestnut extract) and reducing chrome use where technically possible and appropriate, supported by direct supplier reporting
- Requiring LCAs from suppliers to identify and reduce CO₂ hotspots
- Increasing the share of renewable and recycled raw materials
- Developing high-quality, animal-free materials from renewable or recycled sources that match leather in look, feel, durability, and ageing at lower CO₂ levels
- Several model series already offer fully leather-free interiors

→ For further information click here



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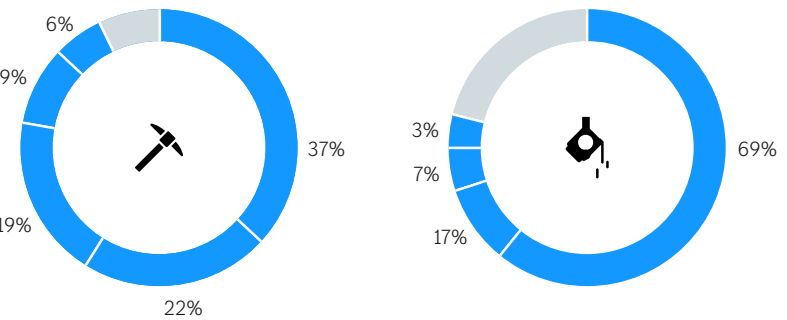
Li

Lithium

Lithium

Raw Material Profile

Lithium is a soft, silvery-white light metal and is produced mainly from brine and hardrock deposits. It has a high energy storage density and is therefore used predominantly for rechargeable lithium-ion batteries. The second major application of lithium is in the field of ceramics, glass ceramics, and glass.

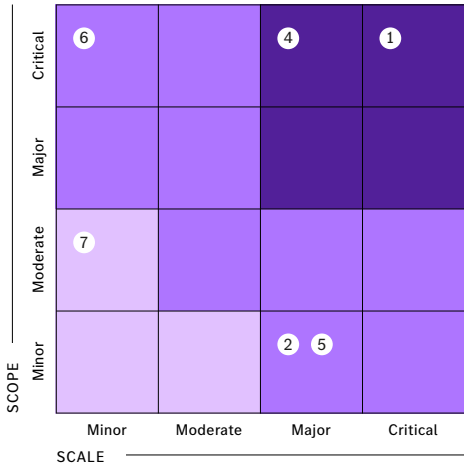


Mining and Beneficiation ²³	Smelting and Refining ²⁴
Australia: 37%	China: 69%
Chile: 22%	Chile: 17%
China: 19%	Argentina: 7%
Zimbabwe: 9%	Canada: 3%
Argentina: 6%	

Risk Profile

- 1 Working Conditions incl. Occupational Health and Safety
- 2 Child Labour
- Modern Slavery incl. Forced Labour
- 4 Community and Indigenous Rights
- 5 Excessive Violence by Public and Private Security Forces
- 6 Environmental Risks with Impact on Human Rights
- 7 Business Conduct in CAHRAS
- Serious Human Rights Abuses

Risk Analysis



Focus Parts/Commodities

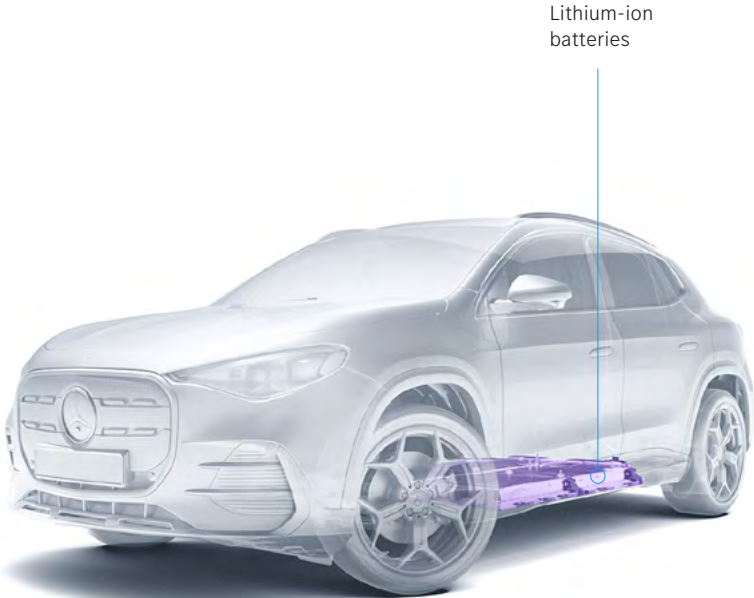


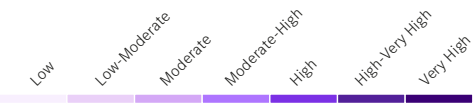
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²³ > USGS 2026, Data 2024
²⁴ > RMIS-Raw Materials Information System

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Lithium



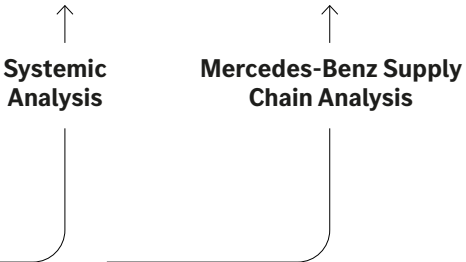
Environmental Risks

- RECYCLER
- BATTERY SUPPLIER
- CATHODE MANUFACTURER
- REFINER / TREATMENT UNIT
- LARGE SCALE MINE

EMISSIONS AND ENERGY PROFILE			WATER AND RESOURCE PRESSURE		POLLUTION OF SOIL AND WATER		BIODIVERSITY AND ECOSYSTEM INTEGRITY		WASTE, HAZARDOUS SUBSTANCES AND GEOLOGICAL RISKS		
GHG Emissions	Local Air Emissions	Energy Intensity	Water Consumption	Water Stress	Water Pollution	Soil Contamination	Land Use and Deforestation	Biodiversity (Species Diversity)	Hazardous Substances	Waste and Residues	Plant Safety and Geological Risks (Tailings Safety)
Very High	High	Very High		Moderate	High		Low	Low	Moderate	Moderate	Moderate
Very High	Moderate	High-Very High		Moderate	Moderate-High		Low	Moderate	Moderate-High	Low-Moderate	Low-Moderate
Very High	Moderate	High-Very High		High	Moderate		Low	Low	Moderate-High	Low	Low
Very High	Moderate	Very High	Moderate	Moderate	Moderate	High	Low	Moderate-High	High	Moderate	Low-Moderate
Moderate	Moderate	Moderate	Low	Moderate	Moderate	Moderate	Low	Low-Moderate	Low-Moderate	Low-Moderate	Low-Moderate

Disclaimer on risk analysis results: The final environmental risk score per supply chain stage is derived from a combination of the results of the systemic risk analysis and the Mercedes-Benz supply chain-specific risk analysis. Where available, both assessment components are jointly considered to determine the overall risk profile. For certain risk categories, however, the final score is based on only one component of the risk analysis due to methodological constraints or limitations in data

availability. In such cases, the results should be interpreted accordingly. In addition, the systemic risk analysis refers to 1kg of raw material. This normalisation enables comparability across materials but does not reflect the actual quantities of different raw materials used in a vehicle. As some raw materials are used in significantly higher volumes than others, the overall risk profile at vehicle level may differ when material intensity is taken into account.



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Tier-1/ Direct Suppliers ²⁵

Number of existing suppliers behind all focus parts:	12
Average DDQ rating:	76%
Number of suppliers implementing measures to improve DDQ score:	0

Systematic Risk Context

Lithium extraction involves hard rock mining from spodumene in granitic pegmatite deposits, common in Australia, Brazil, China, and Zimbabwe, and brine extraction from underground reservoirs, predominantly in arid regions like Argentina, Chile, and Bolivia. Hard rock mining requires processes such as drilling and blasting, with environmental concerns including land and water contamination from waste rock. Open-pit mining necessitates extensive land clearance, while underground mining reduces surface disturbance. Brine extraction, conducted mainly in water-scarce areas, is less invasive but raises concerns about water usage, involving solid waste and relying on pumping lithium-rich saltwater to the surface. Both methods require careful environmental management to mitigate impacts, and the increasing value of lithium could intensify unregulated artisanal mining, adding to these challenges.

In the supply chain analysis, Mercedes-Benz has identified various sourcing countries including Australia, China, the Andean region, and newly emerging Zimbabwe. As the Andean region was previously the main sourcing region, Mercedes-Benz has placed particular focus on the risks associated with brine extraction. Therefore, Mercedes-Benz has identified and prioritised two salient risk areas for lithium: community and indigenous rights and environmental risks with impact on human rights. These risks are

closely linked, as lithium extraction can affect the availability and quality of water resources, with potential consequences for livelihoods, cultural heritage, and the health of local and Indigenous communities.

The environmental risk analysis shows that lithium-related impacts extend beyond extraction and occur across downstream value-chain stages. Elevated impacts are identified from refining through cathode manufacturing, battery cell production, and recycling, primarily driven by high energy intensity and associated greenhouse gas emissions (GHG). These impacts result from substantial electricity demand, often linked to fossil energy sources, as well as significant thermal energy requirements in processing steps such as lithium hydroxide production.

Material environmental risks are also related to water and soil pollution. In particular, the chemically intensive production of lithium hydroxide can contribute to eutrophication impacts across freshwater, marine, and terrestrial systems. In addition, hazardous substances pose increased risks due to waste streams and tailings containing sulphates, heavy metals or high salt concentrations, which may affect soils and aquatic ecosystems if not responsibly managed.

²⁵ The presented results reflect a point-in-time snapshot of collected supplier data and may evolve as additional submissions, suppliers, or updates are incorporated.

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Lithium

While water use per kilogram of lithium is on average comparable to other battery raw materials, local conditions are decisive for overall risk levels. Operations in water-stressed regions show substantially higher environmental risks than those in regions with lower water scarcity, underscoring the importance of location-specific assessment along the lithium supply chain.

To effectively mitigate identified risks, Mercedes-Benz pursues the mainstreaming of demanding sustainability standards such as IRMA, as well as the facilitation of direct exchange between rights holders, stakeholders, and the originators of potentially negative impacts. For this reason, mainstreaming voluntary sustainability standards and standard development are two important pillars in our risk mitigation strategy for lithium. These are complemented by measures to increase supply chain transparency and a local project in the Salar de Atacama: [↗the Responsible Lithium Partnership](#).

Outlook

As Africa, and especially Zimbabwe, emerges as a new sourcing region in the lithium supply chain, Mercedes-Benz is currently undertaking an update of the risk analysis. A potential focus lies on working conditions including occupational health and safety, as well as child labour in the artisanal and small-scale mining sector. Once the analysis is completed, Mercedes-Benz will define appropriate measures to address the identified risks.

Stakeholder Engagement

At the closing event of the Responsible Lithium Partnership, Mercedes-Benz exchanged with a broad range of stakeholders to reflect on the project’s concrete impacts, key lessons learned, and the conditions required to sustain and scale positive outcomes.

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Mercedes-Benz Risk Mitigation Strategy for Lithium

Effective Standards

Standards hold significant potential to identify risks, induce, and monitor continuous improvement as well as to support downstream manufacturers in effective due diligence management in supply chains. Mercedes-Benz is committed to improve existing standards by contributing to the development of standard systems that are effective in terms of governance, audit processes, and address risk areas effectively through best practice standard requirements, such as through our standard guidance ([↗ Guidance: Mining and Supply Chain Standards | MBSP 2.0](#)).

Supply Chain Due Diligence and Transparency

Transparency on high-risk actors and hotspots in the supply chain is key when it comes to enhancing due diligence measures in the supply chain. Over the last years, Mercedes-Benz has intensively looked at the battery supply chains from cell suppliers to mine sites. To improve their due diligence measures, Mercedes-Benz audits them against international standards, provide trainings as well as corrective action plans to better their performance step by step.

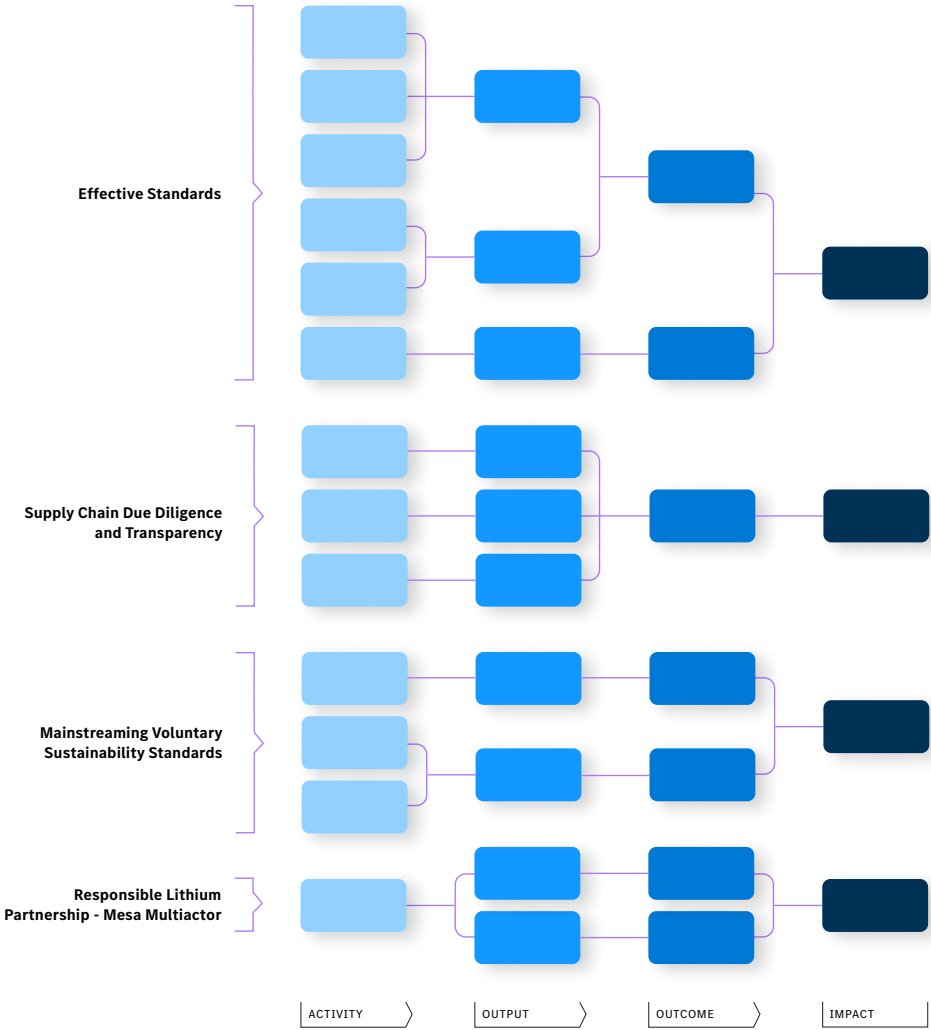
Mainstreaming Voluntary Sustainability Standards

Demand is the strongest driver for the uptake of standards in raw material supply chains. To increase demand, Mercedes-Benz publicly promotes the value of effective voluntary standards to key stakeholder groups, and continuously introduces awarding premises on mining level (such as IRMA or equivalent) as well as adequate standards on refiner level. The goal is to apply these awarding requirements in all of our sourcing activities of focus commodities.

Responsible Lithium Partnership – Mesa Multiactor ([↗ Spotlight Chile](#))

Our raw material assessment identified the need for heightened due diligence in Chile and for creating a space for dialogue among affected stakeholders and rights holders in the critical lithium mining region of the Salar de Atacama. In response, the Responsible Lithium Partnership was initiated together with several other companies and has been successfully concluded In 2025 the Mesa Multiactor focused on advancing responsible water management in the Salar de Atacama, fostering dialogue, building trust among local stakeholders, and generating and consolidating scientific evidence. Through this collaborative approach, the partnership contributed to a better common understanding of local impacts and supported the development of collective approaches to reduce negative environmental and social effects.

→ For further information click here



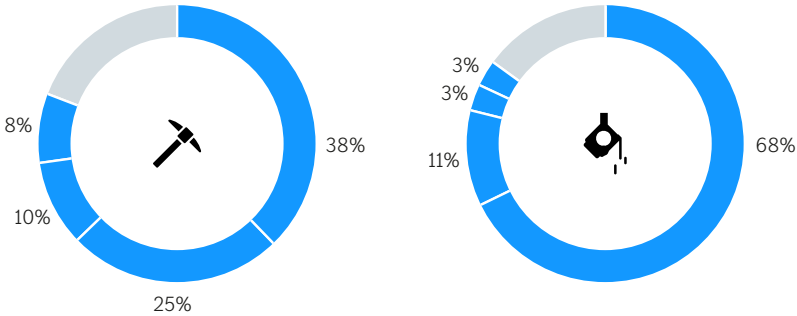
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Manganese

Raw Material Profile

Manganese is primarily used as an alloying element in steel production, where it enhances strength, toughness, and wear resistance in key automotive components. It is crucial for the production of high-strength steels that enable lightweight vehicle design and contribute to improved safety and efficiency. In addition to its fundamental role in steelmaking, manganese is gaining strategic relevance in the automotive industry due to its application in advanced battery technologies.



Mining and Beneficiation ²⁶

South Africa: 38 %
Gabon: 25 %
Ghana: 10 %
Australia: 8 %

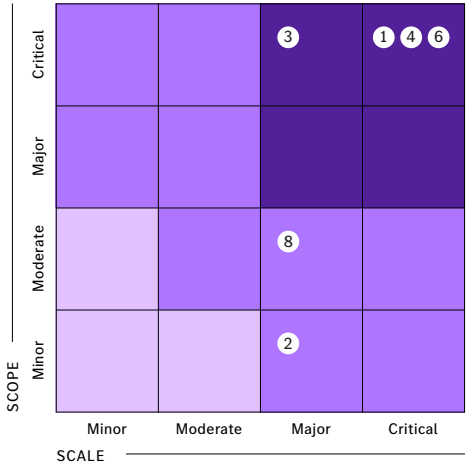
Smelting and Refining ²⁷

China: 68 %
India: 11 %
Ukraine: 3 %
Norway: 3 %

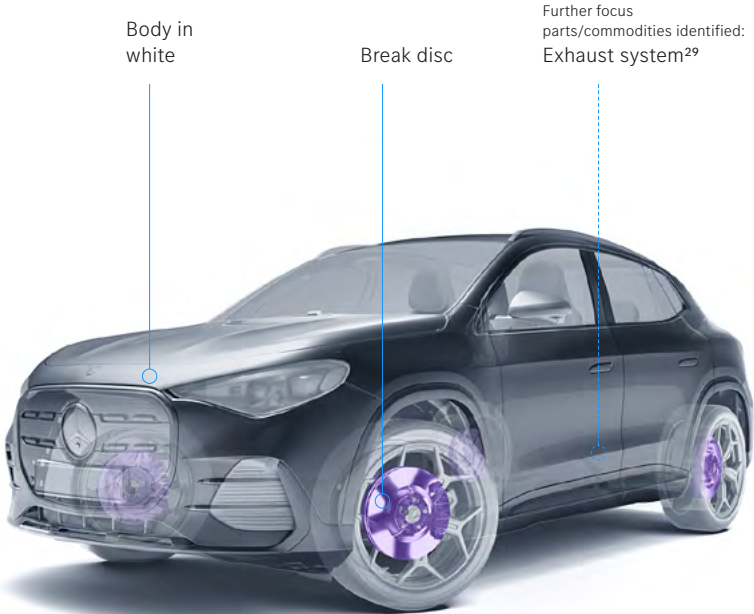
Risk Profile

- 1 Working Conditions incl. Occupational Health and Safety
- 2 Child Labour
- 3 Modern Slavery incl. Forced Labour
- 4 Community and Indigenous Rights
- Excessive Violence by Public and Private Security Forces
- 6 Environmental Risks with Impact on Human Rights
- Business Conduct in CAHRAS
- 8 Serious Human Rights Abuses

Risk Analysis



Focus Parts/Commodities ²⁸



²⁸ Illustration shown may not exactly reflect the original.
²⁹ Vehicle shown is a battery-electric vehicle (BEV). Exhaust systems apply only to internal combustion engine (ICE) vehicles and are therefore not displayed.

²⁶ > USGS 2026, Data 2024
²⁷ > RMIS Data Ferroalloys (FeMn, SiMn)

²⁸ Raw materials identified within the steel cluster

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Manganese

Tier-1/ Direct Suppliers³⁰

n/a

Systematic Risk Context

Global manganese production is highly concentrated, with South Africa and Gabon dominating global production, followed by Ghana and Australia. As a critical alloying element, manganese is indispensable for steelmaking: most of the extracted manganese is used in iron and steel production, where it enhances strength and hardness, and facilitates deoxidation during refining. Beyond these conventional applications, manganese is gaining importance in emerging battery technologies. It plays a key role in nickel-manganese-cobalt (NMC) lithium-ion cathodes, lithium manganese iron phosphate (LMFP) as well as in lithium manganese oxide (LMO) chemistries, supporting the energy transition and the growing demand from the mobility sector.

Manganese mining is typically conducted in large-scale industrial operations. Ore is primarily extracted through open-pit mining, while underground methods are applied to deeper deposits. Due to the hardness of manganese-rich rock formations, extraction generally requires drilling and blasting. Following extraction, the ore undergoes several beneficiation processes – including crushing, milling and gravity or magnetic separation – to increase manganese content. The resulting concentrates are subsequently processed in high-temperature smelting operations to produce ferromanganese and silicomanganese, which are key alloying inputs for global steel supply chains. For battery applications, manganese is not used in metallic or alloy form but as high-purity chemical compounds, primarily battery-grade manganese sulphate, or manganese dioxide. Refining to these specifications takes place predominantly outside producing countries, with a strong concentration in China, which currently dominates the global market for battery-grade manganese sulphate.

The following salient risk areas have been identified: occupational health and safety (OHS) risks remain significant, including workplace accidents, inadequate personal protective equipment, and dust exposure that can lead to long-term neurological disorders (manganism) as well as reduced lung function. Indigenous Peoples

and local communities may face a range of adverse impacts, including illegal mining activities, contamination of water sources, groundwater depletion, loss of land rights, inadequate compensation, and violations of the principle of free, prior and informed consent (FPIC). Environmental impacts – including soil contamination, air emissions, and water pollution – can translate into human rights risks by affecting health, livelihoods and access to safe living conditions. Lastly, the potential occurrence of modern slavery, including forced labour, has been identified as a salient risk in specific high-risk regions.

Stakeholder Engagement

- Engagement with relevant stakeholders to strengthen contextual understanding of risks, facilitate knowledge sharing, and enable the identification of possible approaches to drive systemic improvements

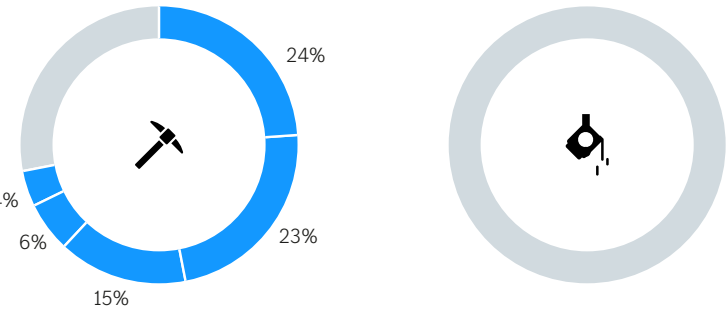
³⁰ The presented results reflect a point-in-time snapshot of collected supplier data and may evolve as additional submissions, suppliers, or updates are incorporated.

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Raw Material Profile

Mica comprises a family of 37 naturally occurring silicate minerals valued for their heat-resistant, insulating, and reflective properties. In automotive applications, mica is typically used in paints and coatings, as well as thermal insulation. A significant share of globally traded mica originates from India and Madagascar, where extraction is largely carried out by artisanal and small-scale mining.



Mining and Beneficiation³¹

- Madagascar: 24 %
- China: 23 %
- Finland: 15 %
- United States: 6 %
- India: 4 %

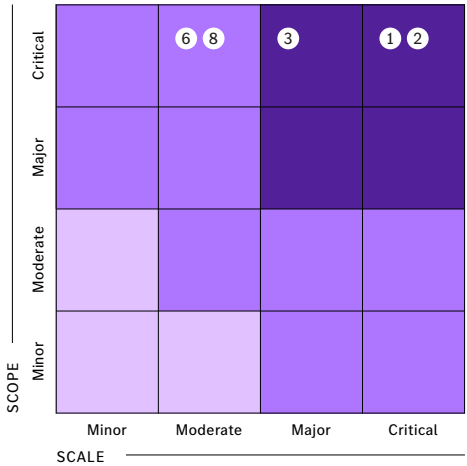
Smelting and Refining³²

n/a

Risk Profile

- 1 Working Conditions incl. Occupational Health and Safety
- 2 Child Labour
- 3 Modern Slavery incl. Forced Labour
- Community and Indigenous Rights
- Excessive Violence by Public and Private Security Forces
- 6 Environmental Risks with Impact on Human Rights
- Business Conduct in CAHRAS
- 8 Serious Human Rights Abuses

Risk Analysis



Focus Parts/Commodities

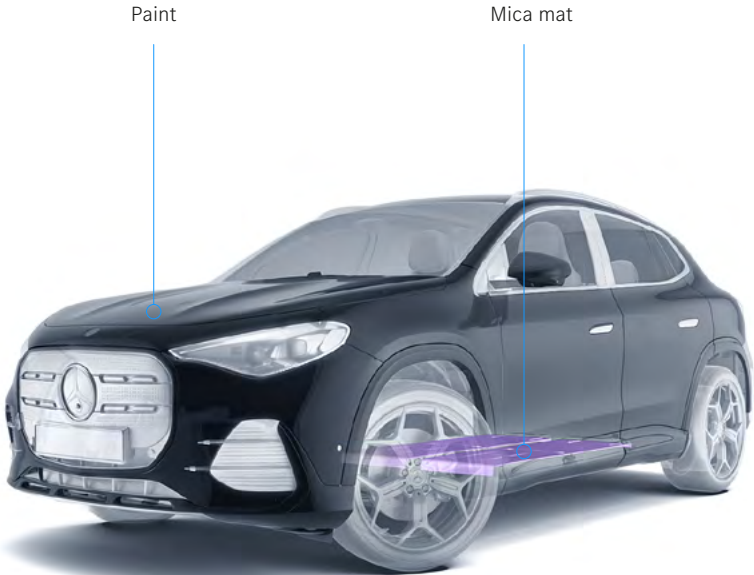


Illustration shown may not exactly reflect the original.

³¹ The figures provide indicative estimates based on available data. However, there is a lack of transparency in the mica mining sector which makes it impossible to accurately provide data on global market share for countries. India is a major player in the mica sector, as well as Madagascar and China, but the numbers are inconsistent (SOMO) [USGS 2026, Data 2024](#)

³² As there is a lack of transparency the mica sourcing, there are no comprehensive or fully reliable data on processing countries as well. Source: Country list Mica RMI Eligible Facilities List

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Tier-1/ Direct Suppliers³³

Number of existing suppliers behind all focus parts:	7
Average DDQ rating:	63%
Number of suppliers implementing measures to improve DDQ score:	2

Systematic Risk Context

Mica supply chains are highly fragmented, with extraction often carried out by →artisanal miners. Unprocessed mica is sold to local aggregators before being sorted and cleaned in primary processing units. It is then refined by industrial processors (e.g., pigment and insulation manufacturers) before being integrated into downstream components. Complex intermediary structures and limited formalization result in structural traceability gaps.

Artisanal mica mining in India and Madagascar is characterised by unsafe excavation practices, including unstable shafts, high levels of dust exposure, a lack of protective equipment, and limited

access to first aid or basic infrastructure. Socio-economic vulnerability, insufficient access to education, and the absence of viable livelihood opportunities contribute to the prevalence of child labour. Weak regulatory enforcement and widespread informal operations create conditions of severe labour exploitation, including risks of forced labour. These factors result in a high-severity human rights risk that can affect entire communities.

While risk severity is highest at mine level, the processing stage also entails substantial human rights and environmental risks. Key risks include insufficient occupational health and safety systems (e.g., personal protective equipment (PPE), dust, and fire control measures), alongside incomplete worker documentation, non-transparent recruitment practices and inconsistent adherence to labour standards. Environmental risks arise from inadequate waste and effluent management. Because processors operate at differing maturity levels, this stage requires structured oversight and close engagement with local partners.

Mercedes-Benz’ specific risk exposure: Because Mercedes-Benz does not source mica directly, upstream visibility is structurally limited, and systemic risks cannot be fully excluded. At the same time, available information on supply chain structures helps identify high-risk contexts and supports the prioritization of due diligence and engagement measures.

Stakeholder Engagement

- Regular exchanges with tier-1 and upstream suppliers on due diligence implementation, transparency, and risk mitigation measures
- Engagement with local NGOs in risk regions to strengthen contextual understanding and inform the prioritization of due diligence activities
- Continuous dialogue with specialised stakeholders and industry partners to share insights and identify opportunities where collective approaches can support systemic improvements
- Participation in multi-stakeholder platforms like →Responsible Mica Initiative and the European Partnership for Responsible Minerals, to contribute to sector-wide improvements in responsible sourcing and alignment with recognised standards
- Field visits by a Mercedes-Benz representative in →India and Madagascar to obtain direct insights into mining conditions, processing environments and community needs

³³ The presented results reflect a point-in-time snapshot of collected supplier data and may evolve as additional submissions, suppliers, or updates are incorporated

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Mercedes-Benz Risk Mitigation Strategy for Mica

Supply Chain Due Diligence and Transparency

Mercedes-Benz applies a risk-based due diligence system aligned with its Responsible Sourcing Standards. In high-risk regions, suppliers are contractually required to commit to an independent Workplace Standard audit prior to awarding, with verification completed by start of production. To strengthen upstream visibility, tier-1 suppliers must disclose sourcing information prior to awarding and provide verifiable upstream transparency documentation. Where the risk profile warrants it, Mercedes-Benz commissions independent supply chain mapping to identify processors, intermediary structures and upstream bottlenecks. Complementing these expectations, suppliers may source mica only from RMAP-conformant or OECD-aligned processors and must provide EMRT evidence upon request. Internal due diligence systems regularly assess supplier performance and inform targeted follow-up.

On the Ground Projects: Empowering Mining Communities in High-Risk Regions

(→ [Spotlight India and Madagascar](#))

Mercedes-Benz supports community-level projects in India and Madagascar via RMI programmes and partner projects: In 2025, RMI partners reached more than 6,000 people, including over 1,280 newly enrolled children, and expanded OHS training and PPE distribution at ASM sites while strengthening audit and processor-level compliance.

In Jharkhand (India), Terre des Hommes delivered documented results across 30 villages: 285 children (re-)enrolled in school, 1,264 children accessing early-childhood education, and 672 families increasing household income.

For Madagascar, Mercedes-Benz and industry partners identified mining locations and project partners where concrete measures will be implemented in 2026 to improve working and living conditions in ASM communities.

→ [For further information click here](#)



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Mercedes-Benz Risk Mitigation Strategy for Mica

Sector Collaboration [↗ RMI](#)

Mercedes-Benz is an active member of the Responsible Mica Initiative (RMI), contributing to sector-wide efforts focusing on topics like traceability, community empowerment, legal framework promotion, and standards. These include the Global Workplace ESG and Due Diligence Standard for Mica Processors, which defines expectations for e.g. occupational health and safety (OHS), labour right, and upstream transparency. In Madagascar, the Mica CRAFT RMI pilot supports ASM formalization, including the formalization of six mining groups in 2025.

Mainstreaming Voluntary Sustainability Standards

Demand is the strongest driver for the uptake of standards in raw material supply chains. To increase demand, Mercedes-Benz publicly promotes the value of effective voluntary standards to key stakeholder groups, and continuously introduces awarding premises on mining level as well as adequate standards on processor level.

Effective Standards

Standards hold significant potential to identify risks, induce, and monitor continuous improvement as well as to support downstream manufacturers in effective due diligence management in supply chains. Mercedes-Benz is committed to improve existing standards by contributing to the development of standard systems that are effective in terms of governance, audit processes, and address risk areas effectively through best practice standard requirements, such as through our standard guidance [↗ Guidance: Mining and Supply Chain Standards | MBSP 2.0](#).

Responsible Management of ASM

Mercedes-Benz applies a cross-material ASM approach where ASM risks may be present. This includes internal guidance to ensure consistent decision-making and communication, and ASM specific expectations embedded in due diligence requirements. It is complemented by exchanges with suppliers, affected stakeholders and peers to raise awareness as well as through identification of high-risk suppliers and planned capacity-building. For more information on our ASM activities, see [↗ ASM](#).

→ For further information click here



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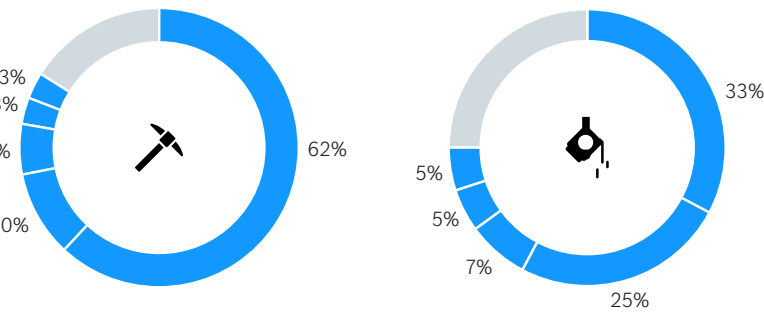
Ni

Nickel

Nickel

Raw Material Profile

Nickel is most-commonly used as an alloying element in stainless steel. It enhances important properties such as formability, weldability, and ductility, while increasing corrosion resistance in certain applications. Nickel has also long been widely used in batteries. The automotive industry is one of the main drivers for nickel mining due to its usage in electric-vehicle batteries.



Mining and Beneficiation ³⁴

Indonesia: 62%
Philippines: 10%
Russia: 6%
New Caledonia: 3%
Canada: 3%

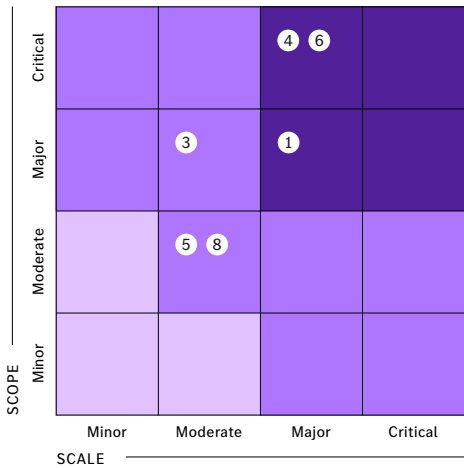
Smelting and Refining ³⁵

Indonesia: 33%
China: 25%
Japan: 7%
Canada: 5%
Russia: 5%

Risk Profile

- 1 Working Conditions incl. Occupational Health and Safety
- Child Labour
- 3 Modern Slavery incl. Forced Labour
- 4 Community and Indigenous Rights
- 5 Excessive Violence by Public and Private Security Forces
- 6 Environmental Risks with Impact on Human Rights
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Risk Analysis



Focus Parts/Commodities

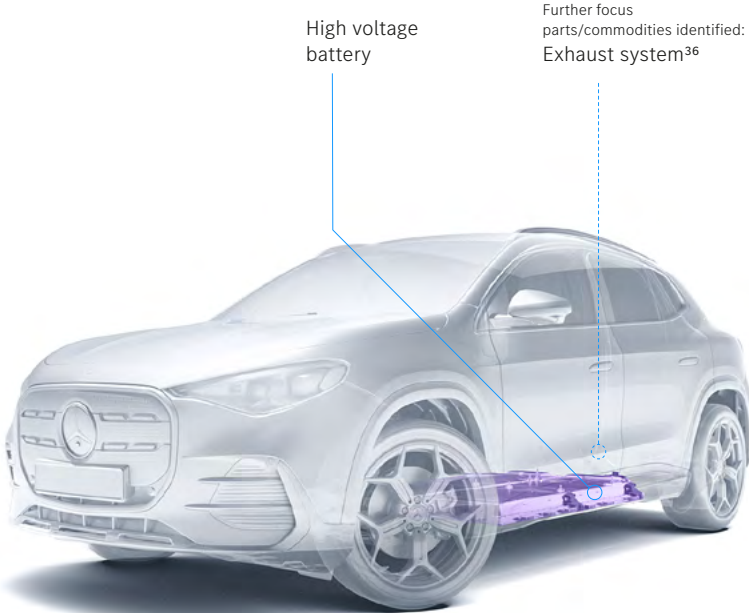


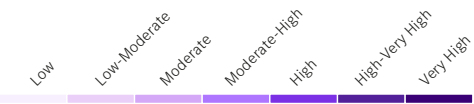
Illustration shown may not exactly reflect the original.
³⁶ Vehicle shown is a battery-electric vehicle (BEV). Exhaust systems apply only to internal combustion engine (ICE) vehicles and are therefore not displayed.

³⁴ > USGS 2026, Data 2024
³⁵ > RMIS-Raw Materials Information System

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Nickel



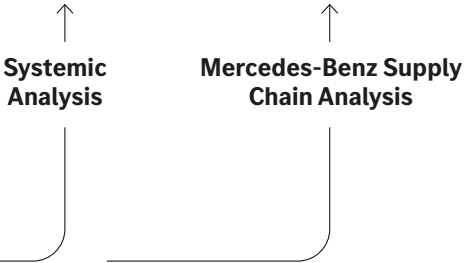
Environmental Risks

- RECYCLER
- BATTERY SUPPLIER
- CATHODE MANUFACTURER
- REFINER / TREATMENT UNIT
- LARGE SCALE MINE

EMISSIONS AND ENERGY PROFILE			WATER AND RESOURCE PRESSURE		POLLUTION OF SOIL AND WATER		BIODIVERSITY AND ECOSYSTEM INTEGRITY		WASTE, HAZARDOUS SUBSTANCES AND GEOLOGICAL RISKS		
GHG Emissions	Local Air Emissions	Energy Intensity	Water Consumption	Water Stress	Water Pollution	Soil Contamination	Land Use and Deforestation	Biodiversity (Species Diversity)	Hazardous Substances	Waste and Residues	Plant Safety and Geological Risks (Tailings Safety)
Very High	High	Very High		High	Moderate-High		Low	Low	Moderate-High	Moderate-High	Low-Moderate
Very High	Moderate	High		Moderate	Moderate-High		Low	Moderate	Moderate-High	Low-Moderate	Low-Moderate
Very High	High	Very High		Moderate-High	Moderate-High		Low	Low	Moderate-High	Moderate	Low
High	Moderate	High	Low	Moderate-High	Moderate	Moderate	Low	Moderate	Moderate-High	Moderate	Low
High	Moderate	High	Low	Low	Moderate	Moderate	Low	Moderate-High	Moderate-High	Moderate-High	Low-Moderate

Disclaimer on risk analysis results: The final environmental risk score per supply chain stage is derived from a combination of the results of the systemic risk analysis and the Mercedes-Benz supply chain-specific risk analysis. Where available, both assessment components are jointly considered to determine the overall risk profile. For certain risk categories, however, the final score is based on only one component of the risk analysis due to methodological constraints or limitations in data

availability. In such cases, the results should be interpreted accordingly. In addition, the systemic risk analysis refers to 1kg of raw material. This normalisation enables comparability across materials but does not reflect the actual quantities of different raw materials used in a vehicle. As some raw materials are used in significantly higher volumes than others, the overall risk profile at vehicle level may differ when material intensity is taken into account.



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Nickel

Tier-1/ Direct Suppliers³⁷

Number of existing suppliers behind all focus parts:	12
Average DDQ rating:	66%
Number of suppliers implementing measures to improve DDQ score:	1

Systematic Risk Context

Nickel originates 60% from mining of laterite ores and 40% from sulphide ores and can be mined open-pit or underground. Nickel mining is mainly an industrial activity. Indonesia has become the world's largest producer and currently holds a share of over 60% of the world market. Indonesia mainly has laterite ores requiring open-pit operations. To extract the nickel from the laterite ores hydro-metallurgical or pyrometallurgical techniques are required. These include High Pressure Acid Leach (HPAL) processes. Indonesia also processes the ore directly into a nickel intermediate (MHP), which has become a viable and cost-effective alternative to produce battery-grade nickel. Even though most of the Nickel mined and

processed in Indonesia goes into the steel industry, the automotive industry is one of the main drivers of new or expanded mining projects.

Mercedes-Benz has identified Indonesia within its supply chains. However, there is currently no direct sourcing, meaning the company is far removed from risks at the mining and refining stages, where three salient risk areas have been prioritised: working conditions incl. occupational health and safety, community and indigenous rights and environmental risks with impact on human rights. In terms of environmental risks, the disposal of toxic tailings from HPAL processing facilities is a recurrent theme. Air, soil and water pollution as well as waste management are also detrimental risks. Open-pit operations have resulted in extensive deforestation and have threatened biodiversity on land but also in the sea.

The environmental risk analysis of the nickel supply chain identifies significant hotspots across both upstream and downstream stages. In mining and processing, high impacts are driven by the energy-intensive production of nickel sulphate, including electricity and thermal energy demand, and associated greenhouse gas emissions (GHG). Elevated risks related to water pollution are observed, particularly from ecotoxic chlorine emissions to surface water, hydrogen sulphide emissions to groundwater from sulphur-containing tailings, and acidification causing sulphur dioxide emissions to air across production and refining processes.

Downstream stages, including cathode manufacturing, battery cell production and recycling, also show notable impacts, primarily due to high energy intensity and resulting Greenhouse Gas emission

(GHG). Overall, the results demonstrate that environmental risks in the nickel supply chain extend beyond extraction and refining and provide a first, risk-based prioritisation of key environmental hotspots along the supply chain.

Social issues occur around the respect of Indigenous Peoples' rights. Community and Indigenous Peoples' rights often clash with land use and alternative livelihoods including the failure to provide sufficient or secure work, FPIC, grievance mechanisms, failure to respect workers' rights as well as antiunion activities. Concerns about labour rights and working conditions are considerable at refining operations, where serious safety risks resulting in fatal accidents have been reported.

To effectively mitigate these identified risks, Mercedes-Benz pursues high market penetration of demanding sustainability standards and audits that effectively address those risks. Following our approach of empowerment before withdrawal, Mercedes-Benz is a founding member of the → [Nickel Impact Programme Indonesia \(NIPI\)](#).

Stakeholder Engagement

- Member of the Nickel Working Group of the Responsible Minerals Initiative (RMI)
- Ongoing dialogue with Industry Initiatives on the status quo and trends in nickel sector
- Ongoing sustainability dialogues with suppliers and sub-suppliers on due diligence measures and efforts in the nickel supply chain
- On-the-ground visit in Indonesia

³⁷ The presented results reflect a point-in-time snapshot of collected supplier data and may evolve as additional submissions, suppliers, or updates are incorporated.

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Mercedes-Benz Risk Mitigation Strategy for Nickel

Effective Standards

Standards hold significant potential to identify risks, induce and monitor continuous improvement as well as to support downstream manufacturers in effective due diligence management in supply chains. Mercedes-Benz is committed to improve existing standards by contributing to the development of standard systems that are effective in terms of governance, audit processes and address risk areas effectively through best practice standard requirements, such as through our standard guidance ([↗Guidance: Mining and Supply Chain Standards|MBSP 2.0](#)).

Mainstreaming Voluntary Sustainability Standards

Demand is the strongest driver for the uptake of standards in raw material supply chains. To increase demand, Mercedes-Benz publicly promotes the value of effective voluntary standards to key stakeholder groups, and continuously introduces awarding premises on mining level (such as IRMA or equivalent) as well as adequate standards on refiner level. Our goal is to apply these awarding requirements in all of our sourcing activities of focus commodities.

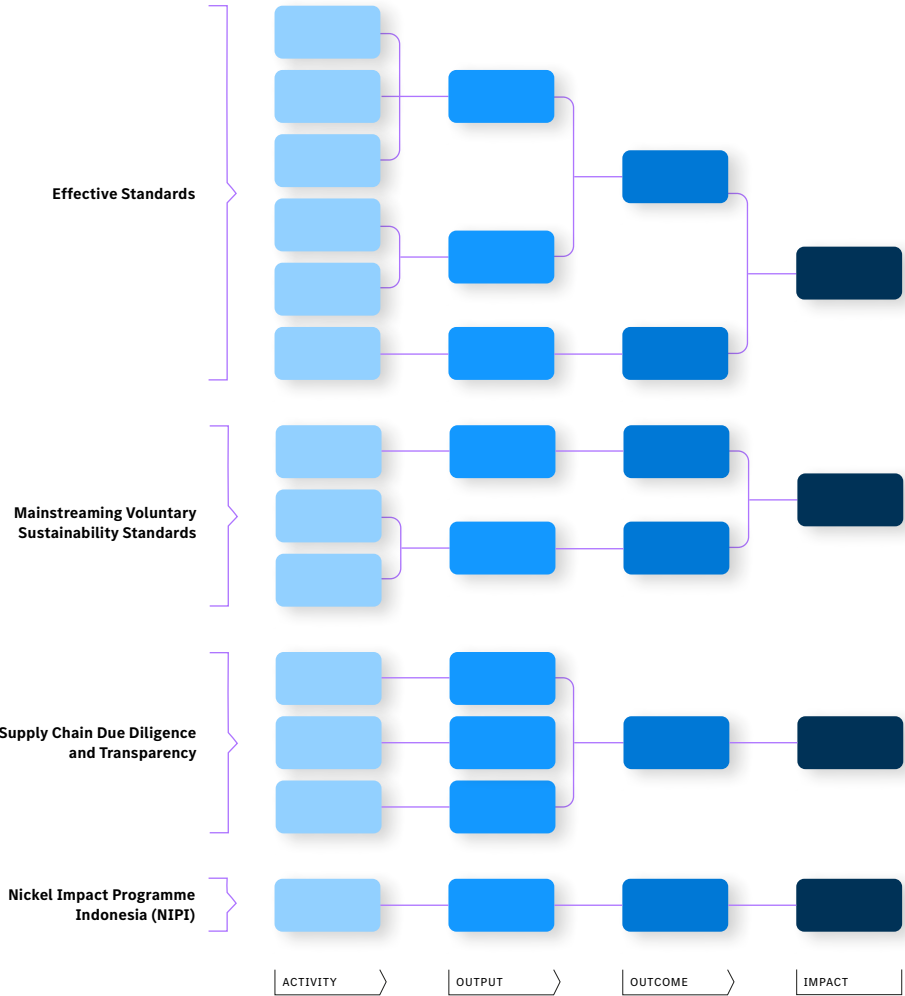
Supply Chain Due Diligence and Transparency

Transparency on high-risk actors and hotspots in the supply chain is key when it comes to enhancing due diligence measures in the supply chain. Over the last years, Mercedes-Benz has intensively looked at its battery supply chains. From cell suppliers until the mine sites. To improve their due diligence measures, Mercedes-Benz audits them against international standards, provides training as well as corrective action plans.

Nickel Impact Programme Indonesia (NIPI)

Currently mining and processing in Indonesia is associated with negative social and environmental impacts. However, Indonesia has become an integral part of nickel supply chains and will continue to grow in importance in the coming years. Following our approach of empowerment before withdrawal, Mercedes-Benz set up the Nickel Impact Programme in Indonesia (NIPI) to address and reduce risks of nickel production on the island of Halmahera in Eastern Indonesia.

→ For further information click here



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Pt
Platinum

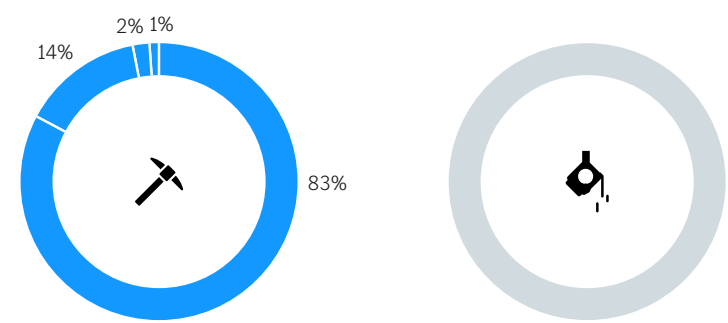
Pd
Palladium

Rh
Rhodium

PGMs

Raw Material Profile

Platinum, Palladium and Rhodium will be referred to as Platinum Group Metals (PGMs) throughout this report. All PGMs naturally occur together and are mined at the same sites from the same ore. PGM deposits are geographically concentrated and serve one predominant function in vehicles – as catalysts in catalytic converters.



Mining and Beneficiation³⁸

- South Africa: 83%
- Russia: 14%
- Zimbabwe: 2%
- USA: 1%

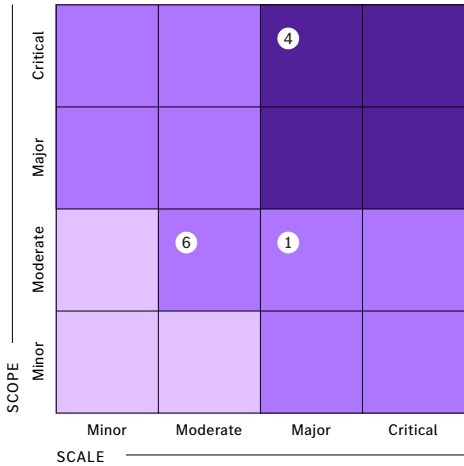
Smelting and Refining³⁹

n/a

Risk Profile

- 1 Working Conditions incl. Occupational Health and Safety
- Child Labour
- Modern Slavery incl. Forced Labour
- 4 Community and Indigenous Rights
- Excessive Violence by Public and Private Security Forces
- 6 Environmental Risks with Impact on Human Rights
- Business Conduct in CAHRAS
- Serious Human Rights Abuses

Risk Analysis



Focus Parts/Commodities



Further focus parts/commodities identified: Catalytic converter⁴⁰

³⁸ > USGS 2026, Data 2024
³⁹ As there is a lack of transparency the mica sourcing, there are no comprehensive or fully reliable data on processing countries as well. Source: Country list Mica RMI Eligible Facilities List
⁴⁰ Vehicle shown is a battery-electric vehicle (BEV). Catalytic converter apply only to internal combustion engine (ICE) vehicles and are therefore not displayed.

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Pt
Platinum

Pd
Palladium

Rh
Rhodium

PGMs

Tier-1/ Direct Suppliers ⁴¹

N/A, equivalent requirement to maintain the LPPM Good Delivery Refiner status.

Systematic Risk Context

PGM mining is conducted using both open-pit and underground mining methods. The process involves drilling, blasting, and hauling as well as a series of concentration steps before the metallurgical processing.

Human rights risks in PGM mining are inextricably linked to the context in which the extraction takes place in South Africa. This includes historic lines of conflict from apartheid, a poverty-driven immigration of unskilled workers, growing informal settlements lacking basic infrastructure, unemployment, and high levels of violence including sexual violence against women. Mercedes-Benz has prioritised community and indigenous rights as the outstanding salient risk area. Through business relationships, Mercedes-Benz is directly and indirectly connected to PGM mining in South Africa. This approach also includes consideration of environmental risks with human rights impacts, as well as working conditions, including occupational health and safety. To effectively mitigate the identified risks there is a pursuit of high market penetration of demanding sustainability standards and audits which effectively address those risks. At the same time, Mercedes-Benz needs to consider its diminishing leverage on the production of PGMs. Platinum, Palladium and Rhodium have a single use case in ICE vehicles. With the gradual roll-out of BEVs, catalytic converters will be phased out in the near future.

Stakeholder Engagement

- Continued exchange with PGM miners at a time when the demand for PGMs will decrease significantly from year to year due to the phase-out of conventional vehicles and therefore catalytic converters

⁴¹ The presented results reflect a point-in-time snapshot of collected supplier data and may evolve as additional submissions, suppliers, or updates are incorporated.

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Pt
Platinum

Pd
Palladium

Rh
Rhodium

Mercedes-Benz Risk Mitigation Strategy for PGMs

Effective Standards

Mining standards hold significant potential to identify risks, induce, and monitor continuous improvements. The PGM industry is committed to implementing the standard of the Initiative for Responsible Mining Assurance (IRMA) on a broad scale. IRMA fulfils the quality criteria Mercedes-Benz has defined in our Standards Guidance ([➤ Guidance: Mining and Supply Chain Standards | MBSP 2.0](#)). The civil society engagement around the Unki mine audit process in Zimbabwe is a lighthouse example for the potential momentum standard processes are able to ignite.

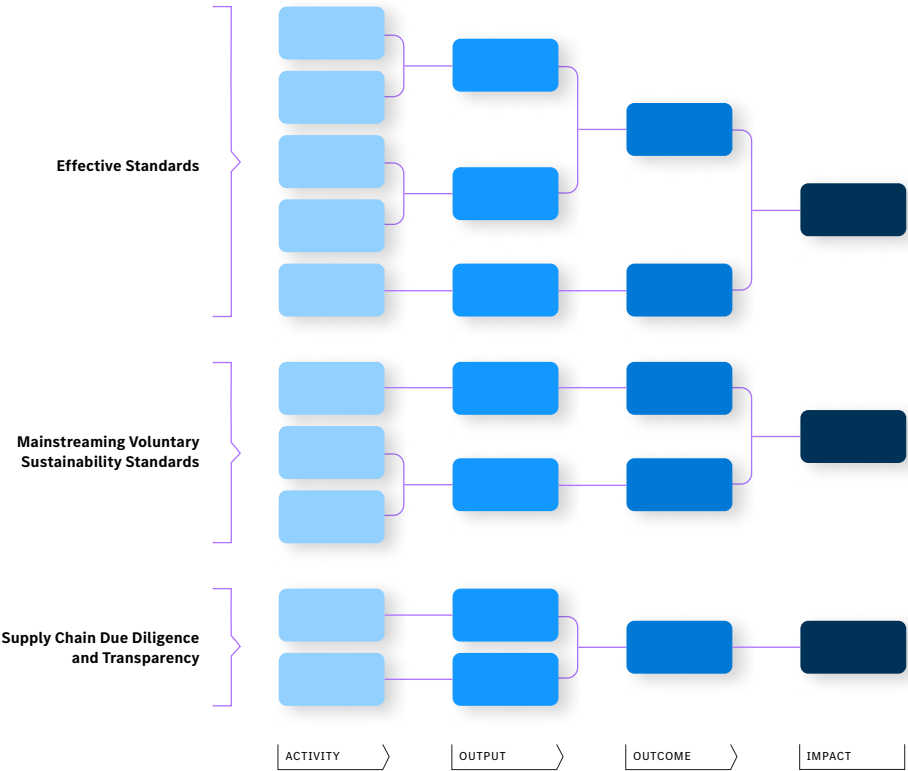
Mainstreaming Voluntary Sustainability Standards

Demand is the strongest driver for the uptake of standards in raw material supply chains. Mercedes-Benz has therefore introduced awarding premises for IRMA audited mines achieving at least IRMA 50.

Supply Chain Due Diligence and Transparency

With chronic conflict and reoccurring violence likely to remain a risk, it is of utmost importance to have adequate due diligence management systems in place. Mercedes-Benz has therefore introduced a new requirement to source exclusively from suppliers that have obtained a responsible sourcing certificate through the London Platinum and Palladium Market (LPPM).

➔ For further information click here



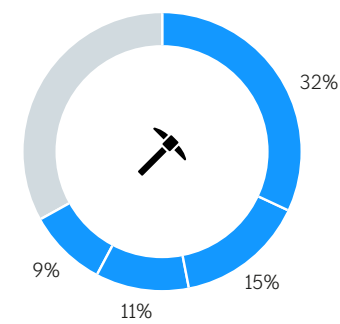
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Rubber

Raw Material Profile

Natural rubber is a bio-based material obtained from the latex of the Hevea brasiliensis tree. After tapping, the latex is coagulated and processed into intermediate forms that enable a wide range of applications. Due to its unique combination of elasticity, resilience, and fatigue performance, natural rubber is used predominantly in tyre manufacturing and is also an essential component in numerous medical and technical products.



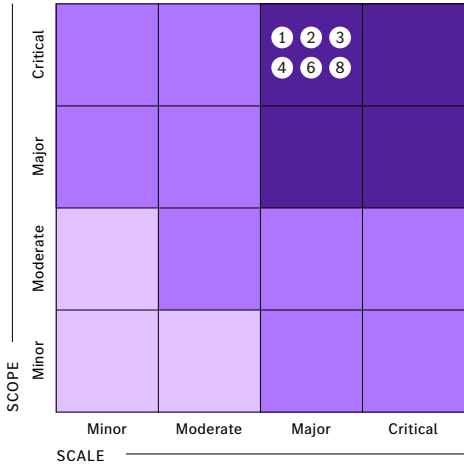
Plantation ⁴²

- Thailand: 32 %
- Indonesia: 15 %
- Côte d'Ivoire: 11 %
- Viet Nam: 9 %

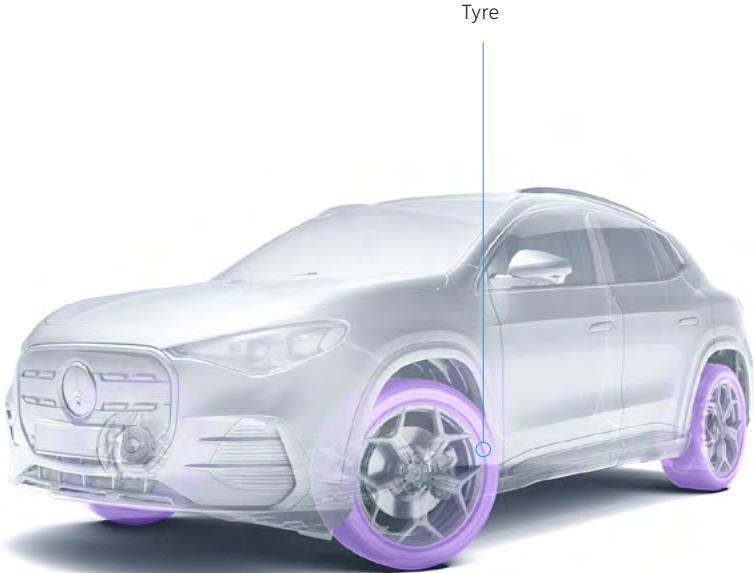
Risk Profile

- 1 Working Conditions incl. Occupational Health and Safety
- 2 Child Labour
- 3 Modern Slavery incl. Forced Labour
- 4 Community and Indigenous Rights
- Excessive Violence by Public and Private Security Forces
- 6 Environmental Risks with Impact on Human Rights
- Business Conduct in CAHRAS
- 8 Serious Human Rights Abuses

Risk Analysis



Focus Parts/Commodities



⁴² Source: Food and Agriculture Organization of the United Nations (FAO). FAOSTAT - Domain Crops and livestock products (QCL); Item Natural rubber in primary forms; Year 2024; Element Production

Illustration shown may not exactly reflect the original.

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Rubber

Tier-1/ Direct Suppliers

Number of existing suppliers behind all focus parts:	15
Average DDQ rating:	60%
Number of suppliers implementing measures to improve DDQ score:	3

Systematic Risk Context

Global natural rubber production is highly fragmented: around 85% of approximately 15 million tonnes are produced by an estimated six million smallholders, cultivating less than five hectares. The dominance of smallholders and the involvement of multiple intermediaries limit traceability and increase structural vulnerabilities.

Systemic risks reach major severity at both plantation and processing levels, according to our raw material assessment ([→ MERCEDES-BENZ RISK MITIGATION STRATEGY](#)) and documented environmental and human rights risks in key producing countries.

At the plantation level, key risks include occupational health and safety gaps such as chemical exposure and missing protective equipment, as well as forced and child labour in certain contexts. Documented cases point to gender-based violence, land conflicts, and other serious human rights abuses in and around rubber plantations, particularly where transparency is low. Additional risks relate to land conflicts affecting communities and Indigenous Peoples. Environmental risks include deforestation, land use change, water and soil pollution, and the impact of extensive monoculture cultivation on biodiversity and ecosystem resilience. Structural factors, including price volatility, limited bargaining power, and restricted access to infrastructure and technical support, further increase pressure on smallholders.

At the processing level, risks concentrate on workplace safety and, in certain regions, forced labour risks involving migrant workers. Environmental impacts arise mainly from inadequate waste and effluent management.

For Mercedes-Benz, natural rubber is used primarily in tyres, which account for around 70% of global demand, while passenger vehicle tyres contain typically around 20% natural rubber. The material is critical not because of volume but due to systemic risks linked to smallholder-dominated and structurally complex global rubber supply chains. Because natural rubber is not sourced directly by

Mercedes-Benz but reaches the company only in processed components through multi-tier supply chains, full upstream traceability remains challenging and systemic risks cannot be fully excluded. Mercedes-Benz therefore prioritises sector-level and risk-based systemic measures alongside supplier-specific actions.

Mercedes-Benz does not purchase natural rubber directly. Instead, it receives the material through processed components within complex, multi-tier supply chains. As a result, tracing the origins of the rubber is difficult and some systemic risks cannot be fully excluded.

Stakeholder Engagement

- Ongoing engagement with tier-1 and upstream suppliers to meet transparency requirements, implement risk-based mitigation measures and due diligence expectations, and systematically close information gaps at plantation and intermediary levels
- Engagement with tyre manufacturers, [→ sector initiatives](#), and technical experts to assess, develop and implement systemic as well as targeted approaches for effective risk mitigation
- Engagement with NGOs and independent experts to validate risk assessments, review risk prioritization, and refine focus areas based on new evidence

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Mercedes-Benz Risk Mitigation Strategy for Rubber

Supply Chain Due Diligence and Transparency

Mercedes-Benz applies a risk-based due diligence system across natural rubber supply chains relevant to its focus parts, aligned with its Responsible Sourcing Standards. Tier-1 suppliers are required to disclose detailed upstream information via a mandatory supply chain-tracking tool that covers plantation regions. These requirements are contractually binding and assessed through documentation reviews, AI-supported risk-screening processes, and continuous engagement with tier-1 as well as deeper tier-n suppliers.

Mitigating (Illegal) Deforestation and Regulatory Preparedness

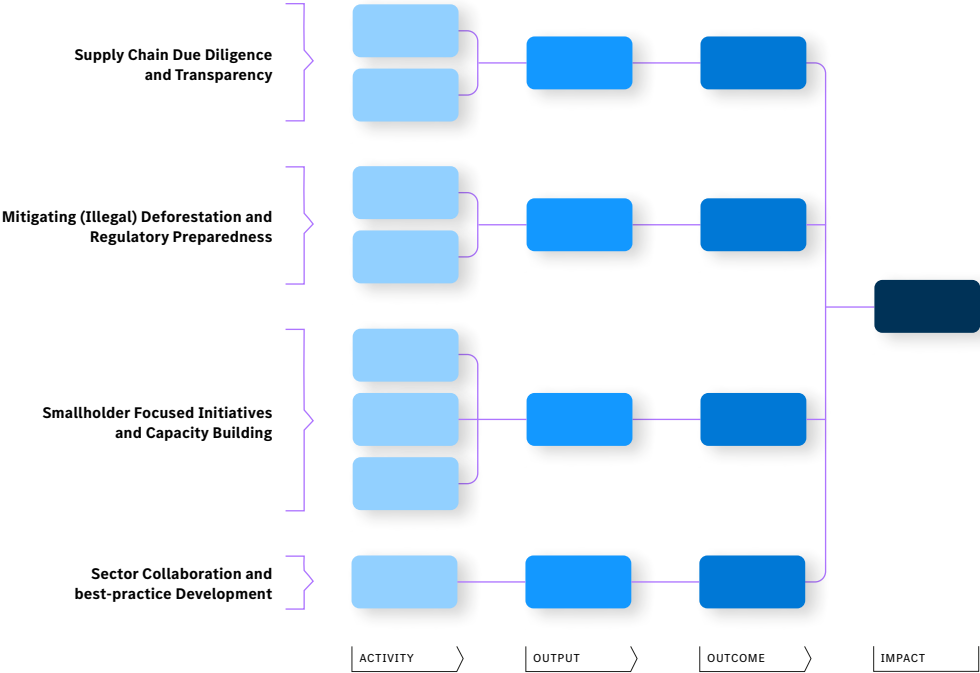
Deforestation is a material sustainability risk in natural rubber-based supply chains. Under Mercedes-Benz’ RSS (Responsible Sourcing Standards), suppliers must ensure prevention of illegal deforestation and implement appropriate upstream due diligence measures across their supply chains. Well ahead of the EU Deforestation Regulation (EUDR, effective December 2026), Mercedes-Benz has implemented and continues to strengthen core due diligence elements. For EUDR readiness, Mercedes-Benz uses an IT-enabled due diligence tool to collect batch-level origin and geolocation data and conduct geospatial screening, enabling verification of regulatory compliance and deforestation-free sourcing for all parts identified as EUDR-relevant.

Smallholder Focused Initiatives and Capacity Building

Smallholder-related risk mitigation is embedded as a supplier expectation in line with the RSS. Given that most global natural rubber is produced by smallholders who face structural vulnerabilities, Mercedes-Benz is preparing targeted measures (from 2026 onwards) aimed at strengthening livelihoods, building resilience, and reducing human rights and environmental risks in defined priority contexts.

Sector Collaboration and Best-Practice Development

Mercedes-Benz is a member of the [Global Platform for Sustainable Natural Rubber \(GPSNR\)](#), contributing to sector-wide efforts and alignment with global best practices for responsible natural rubber.



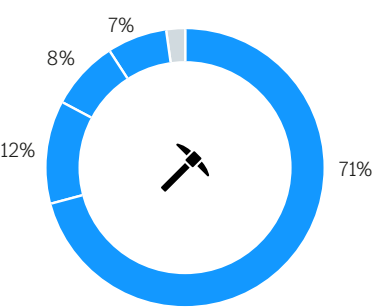
➔ For further information click here

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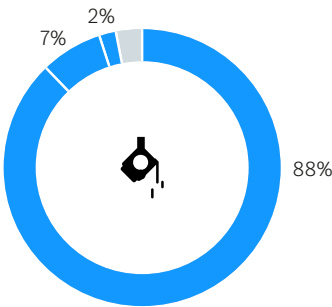
Raw Material Profile

Despite the name, rare earths, a group of 17 minerals, occur naturally in different forms all over the world. Also known as transition minerals, rare earths are predominantly used to produce permanent magnets, which are used, among other applications, in electric vehicles and wind turbines. In the supply chains, Mercedes-Benz identified electric motors and loudspeakers as focus commodities.



Mining and Beneficiation⁴³

China:	71%
United States:	12%
Australia:	8%
Burma:	7%



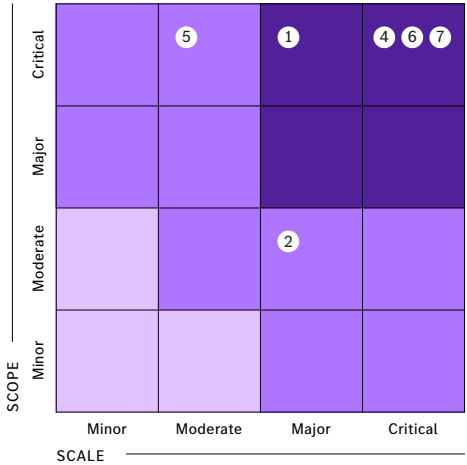
Smelting and Refining⁴⁴

China:	88%
Malaysia:	7%
India:	2%

Risk Profile

- 1 Working Conditions incl. Occupational Health and Safety
- 2 Child Labour
- Modern Slavery incl. Forced Labour
- 4 Community and Indigenous Rights
- 5 Excessive Violence by Public and Private Security Forces
- 6 Environmental Risks with Impact on Human Rights
- 7 Business Conduct in CAHRAS
- Serious Human Rights Abuses

Risk Analysis



Focus Parts/Commodities

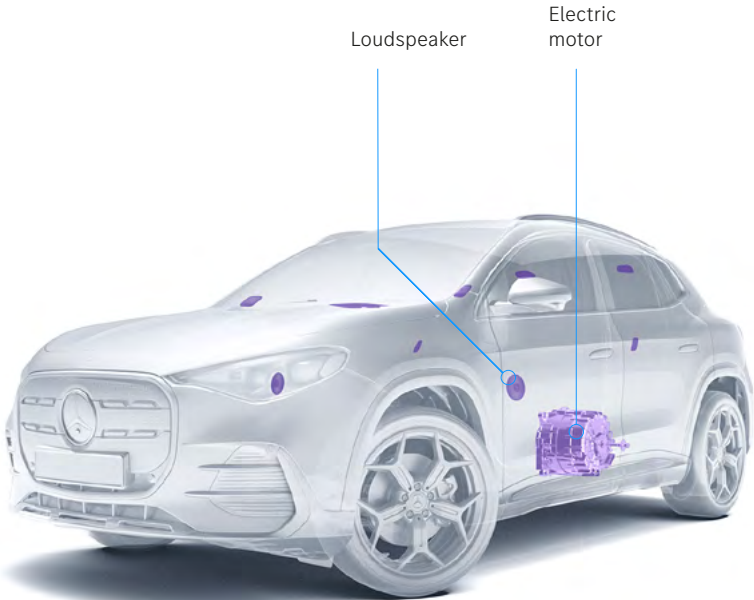


Illustration shown may not exactly reflect the original.

⁴³ > USGS 2026, Data 2024
⁴⁴ > RMIS-Raw Materials Information System

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Tier-1/ Direct Suppliers ⁴⁵

Number of existing suppliers behind all focus parts:	3
Average DDQ rating:	75%
Number of suppliers implementing measures to improve DDQ score:	1

Systematic Risk Context

The following assessment is focused on the sourcing and processing of heavy rare earth elements (HREEs), especially dysprosium and terbium, as they account for the most severe risks for human rights and the environment.

The processing of HREEs is dominated by China, while one of the main sourcing locations is Kachin State in Myanmar. The Kachin Independence Organization (KIO) controls this area, a militia known to threaten and displace local communities to exploit rare earth deposits. The unregulated mining activities carry significant

and diverse risks for the environment and human rights. Accordingly, all identified salient risk areas have been rated as high.

The risk assessment has identified community and indigenous rights, as well as environmental risks with impacts on human rights, as the most severe correlated risk areas. HREEs in Myanmar are commonly sourced using in situ process, where chemicals are pumped into hill sites. The mixture is then collected in plastic-lined pools to separate rare earth sediments. This process has severe impacts on the environment. Hill sites are cleared to create collection pools, the chemicals pollute soil, surface, and ground water, destroying other traditional livelihoods such as farming and fishing and impacting affected communities' health. Workers often lack appropriate personal protective equipment, breathing in toxic fumes, risking their own health. Women are facing gender-specific risks, including sexual abuse and unique risks on their health such as increased miscarriages.

In the past year, the impact of illegal sourcing has spread to other regions in Myanmar, such as Shan State. Transboundary pollution in rivers is affecting local communities' health and livelihood. Severe flooding in Thailand was connected to the continued deforestation in Shan State.

Due to the extreme market concentration, Mercedes-Benz does not possess adequate leverage to effectively mitigate against the identified risk. Therefore, the focus of the risk mitigation strategy for REEs is based on a mix of reducing the consumption and demand for rare earth elements in our products, as well as working towards more transparency within REE supply chains.

Stakeholder Engagement

- Ongoing dialogue with international NGOs on REE mining in Myanmar
- Dialogue with a German research institution on responsible REE production and recycling
- Dialogue with magnet producers and REE processors on the potential to establish closed loop systems
- Dialogue with magnet producers and REE processors to ensure a long-term secure supply chain without dependencies on a single third country
- Dialogue with potential magnet producers and recycler for recycling of inhouse production scraps to improve the circular economy
- Dialogue with other industry actors and suppliers on reducing HREEs in permanent magnet development

⁴⁵ The presented results reflect a point-in-time snapshot of collected supplier data and may evolve as additional submissions, suppliers, or updates are incorporated

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- Memorandum of Understanding with TSR Recycling GmbH and Co.KG to gain a deeper understanding of the potential of post-consumer materials in Europe and recover of secondary materials through so-called ↗“urban mining”
- Associate partner in the ReDriveS project, funded by the Federal Ministry for Economic Affairs and Energy, for automated and digitised circular economy solutions for electric axle drive systems
- Participation in industry discussions on hard magnets at the Baden-Württemberg Ministry of Economic Affairs, Labour, and Tourism
- Technical validation of permanent magnets made from end-of-life material streams containing rare earth elements (REEs) out of a long-loop recycling process
- Technical validation of permanent magnets made from end-of-life material streams containing rare earth elements (REEs) out of a closed-loop and short-loop recycling process

- Outlook**
- Continue exchange with stakeholders with a priority to reduce HREEs within our supply chains
 - Engage in exchange with stakeholders to increase transparency across REEs supply chains

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Mercedes-Benz Risk Mitigation Strategy for REEs

Supply Chain Due Diligence and Transparency

Transparency on high-risk actors and hotspots in the supply chain is key when it comes to enhancing due diligence measures in the supply chain. Mercedes-Benz is currently planning to look more intensively at specific high-risk supply chains. Transparency will lay the foundation to further improve its suppliers' due diligence measures by providing trainings as well as corrective action plans to better their performance step by step.

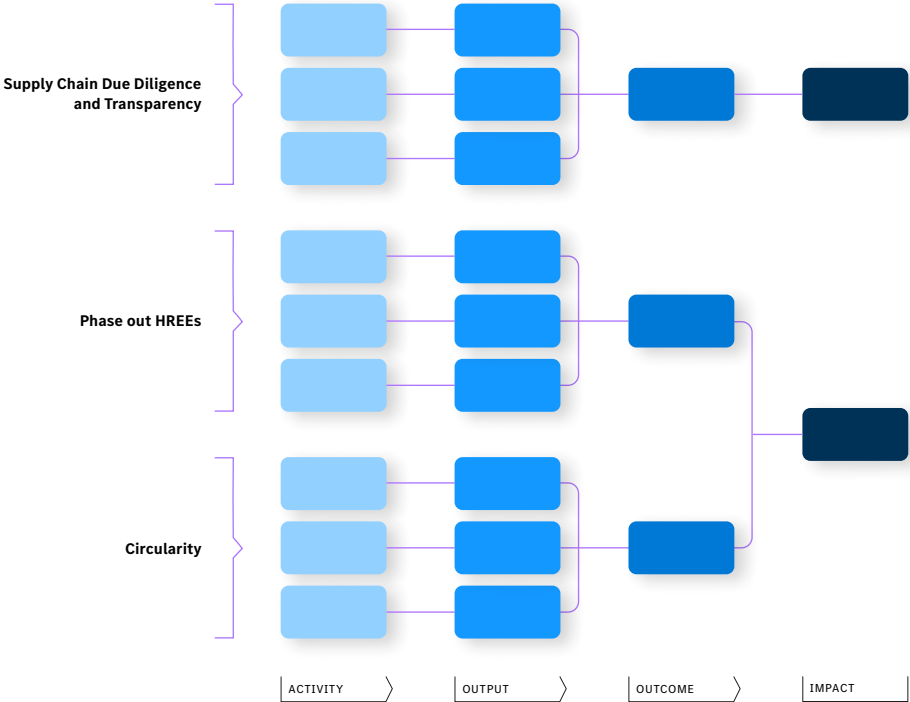
Phase out HREEs

Technical concepts have been developed to significantly reduce the required share of HREEs in magnets in the electric motor to almost 0%.

Circularity

The recycling industry for magnets is in its infancy with particular economic challenges in the dismantling of complex parts such as electric motors. Mercedes-Benz aims to design electric motors so that end-of-life magnets can be more easily dismantled and fed back into the material flow.

➔ For further information click here



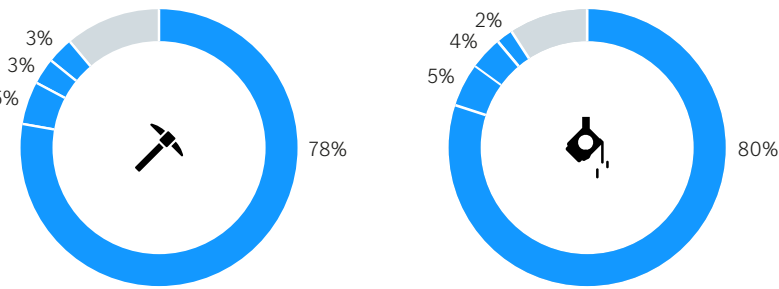
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Silica Sand and Silicon

Raw Material Profile

In their processed form, silica sands are used in a wide variety of products in the automotive industry. This ranges from high-purity quartz sands for glass production to further processing into metallurgical silicon for aluminium alloys and semiconductor-grade applications. Silica sands naturally form from the weathering of many different minerals and rocks.



Mining and Beneficiation ⁴⁶

China: 78 %
Russia: 5 %
Norway: 3 %
Brazil: 3 %

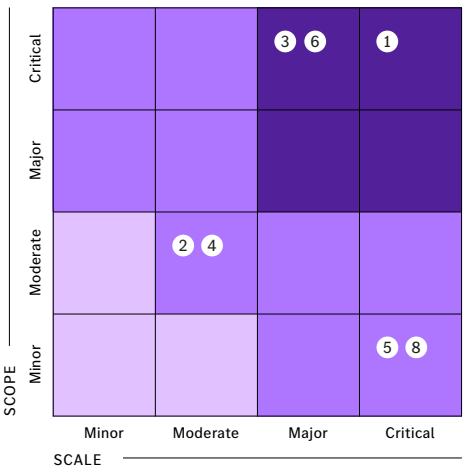
Smelting and Refining ⁴⁷

China: 80 %
Brazil: 5 %
Norway: 4 %
France: 2 %

Risk Profile

- 1 Working Conditions incl. Occupational Health and Safety
- 2 Child Labour
- 3 Modern Slavery incl. Forced Labour
- 4 Community and Indigenous Rights
- 5 Excessive Violence by Public and Private Security Forces
- 6 Environmental Risks with Impact on Human Rights
- Business Conduct in CAHRAS
- 8 Serious Human Rights Abuses

Risk Analysis



Focus Parts/Commodities

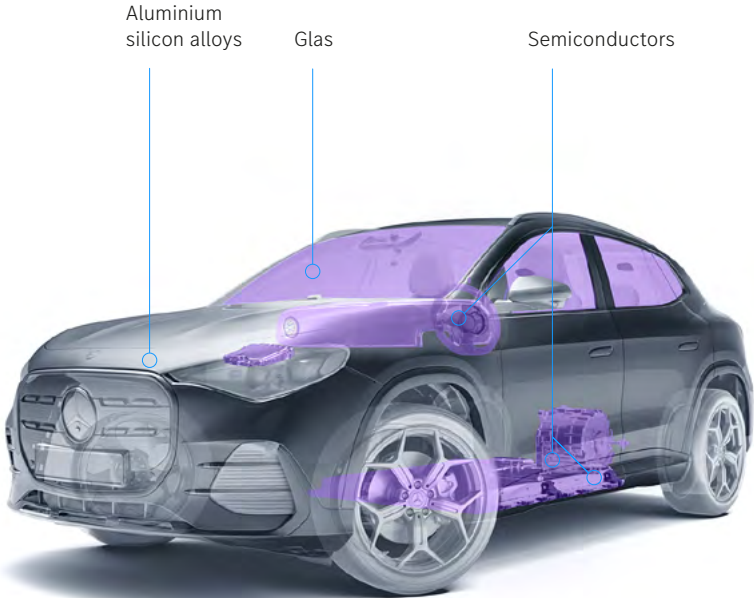


Illustration shown may not exactly reflect the original.

⁴⁶ > USGS 2026, Data 2024
⁴⁷ > RMIS-Raw Materials Information System

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Silica Sand and Silicon

Tier-1/Direct Suppliers ⁴⁸

Number of existing suppliers behind all focus parts:	13
Average DDQ rating:	52%
Number of suppliers implementing measures to improve DDQ score:	n/a

Systematic Risk Context

Silica sand, primarily composed of silicon dioxide (SiO₂), is mined from open-pit operations, quarries or through dredging. It is essential for producing glass, ceramics, and foundry applications. Metallurgical silicon, derived from silica sand, is produced through high-temperature reduction in electric arc furnaces using carbon materials such as coal or coke. This silicon is used in aluminium alloys, silicones, and semiconductor-grade applications.

The supply chain involves both extraction and energy-intensive processing stages, which differ significantly in their risk profiles.

It remains highly fragmented, locally embedded, and difficult to trace, with limited transparency across extraction, processing, and trade flows.

Working conditions, including occupational health and safety, environmental risks with impacts on human rights, and modern slavery, including forced labour, are identified as the most critical salient risk areas. These risks occur at various stages of the supply chain.

Upstream activities are linked to environmental degradation and impacts on local communities, including water depletion, significant dust emissions, biodiversity loss, and disruption of livelihoods. Unregulated sand dredging may affect groundwater availability, agricultural use and river or coastal ecosystems. In addition, weak oversight in extraction can result in unsafe working conditions, including dust exposure and informal labour arrangements.

Downstream processing stages, particularly in silicon and polysilicon supply chains, which are especially relevant for semiconductors, are identified as high-risk due to potential links to forced labour and are consequently subject to enhanced due diligence measures. Measures targeting silica-based products, including

import restrictions linked to polysilicon supply chains, indicate increasing regulatory scrutiny.

A cross-cutting risk relates to occupational health, particularly exposure to respirable crystalline silica. This is associated with severe diseases such as silicosis, lung cancer, COPD, and kidney disease. Inadequate protective measures and limited medical monitoring can also lead to labour rights concerns.

Mercedes-Benz aims to increase transparency in the silicon supply chain by collaborating with relevant stakeholders and promoting awareness of robust environmental due diligence and OHS practices.

Stakeholder Engagement

- Sustainability dialogues with all relevant glass suppliers have been completed

⁴⁸ The presented results reflect a point-in-time snapshot of collected supplier data and may evolve as additional submissions, suppliers, or updates are incorporated.

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Mercedes-Benz Risk Mitigation Strategy for Silica Sand and Silicon

Supply Chain Due Diligence and Transparency

Mercedes-Benz aims to empower its supply chains through targeted analyses of local silica sand supply chains and by supporting selected key component suppliers in responsible sourcing, with a focus on environmental risk mitigation.

Best Practice Developments

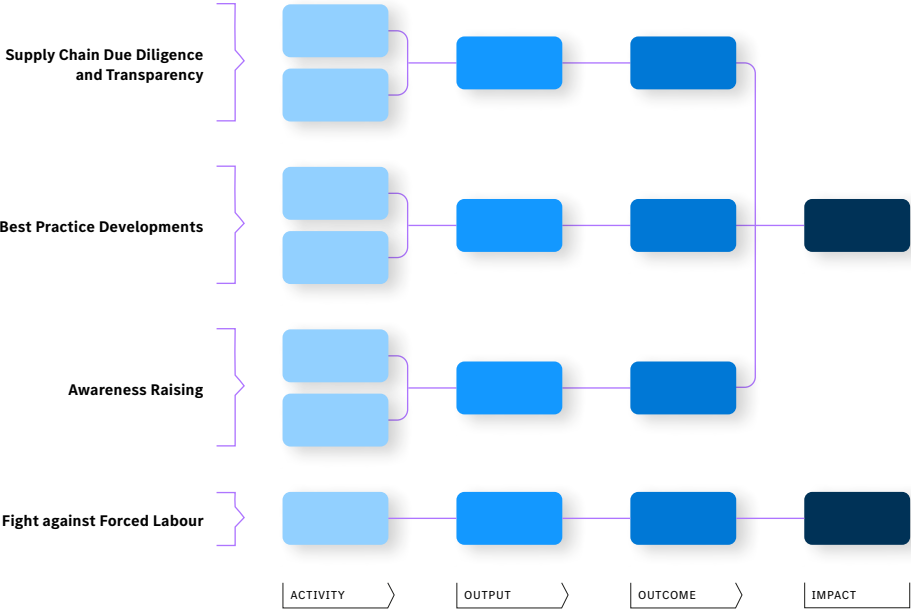
Mercedes-Benz seeks to play an active role in shaping responsible sourcing guidance in the silica sand supply chains by participating in public consultations and multi-stakeholder discussions, aiming to develop best practice guidelines that will contribute to the effective mitigation of environmental risks.

Awareness Raising

Raising awareness about environmental due diligence practices and the importance of sustainably managed sand supply chains is a topic where Mercedes-Benz contributes by informing stakeholders and other industry players on best practices to address the impacts of unregulated sand extraction via panels and expert forums.

Fight Against Forced Labour

Mercedes-Benz operates according to the principle of “empowerment before withdrawal.” Mercedes-Benz believes in significantly improving the status quo rather than taking the easiest route. Therefore, instead of simply excluding suppliers when issues arise, Mercedes-Benz strives to collaborate with them to address the findings. Immediate exclusion might create the illusion of a “clean supply chain,” but it would not improve the situation for the workers and local people. Should this not be possible for various reasons, e.g. lack of cooperation and improvement in a defined timeframe or in case of state-imposed forced labour, Mercedes-Benz reserves the right to terminate business relationships with critical partners or restructure selected supply chains to eradicate forced labour in its supply chains. This approach helps Mercedes-Benz to prepare for and align with various regulatory requirements such as CSDDD and meets our own internal ethical standards.



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Au
Gold

Ta
Tantalum

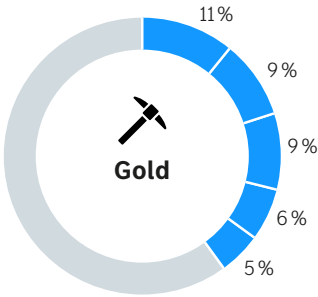
Sn
Tin

W
Tungsten

3TG

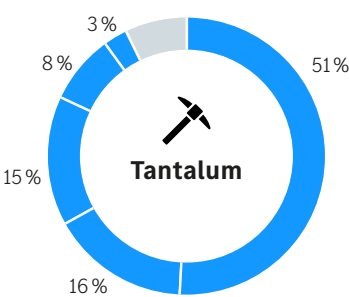
Raw Material Profile

Tin, Tantalum, Tungsten and Gold (3TG) have been grouped under the term “conflict minerals” due to the risk that extraction and trade with these minerals may contribute to conflicts and human rights abuses in Conflict-Affected and High-Risk Areas (CAHRAs). This chapter refers to 3TGs within the limits of this definition. 3TGs are often used in electronic commodities that arrive at our factories as sophisticated products.



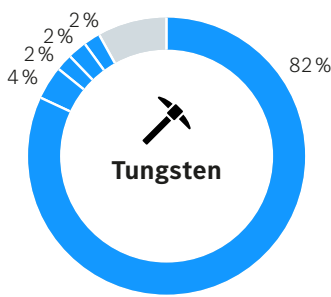
Mining and Beneficiation ⁴⁹

- China: 11%
- Australia: 9%
- Russia: 9%
- Canada: 6%
- United States: 5%



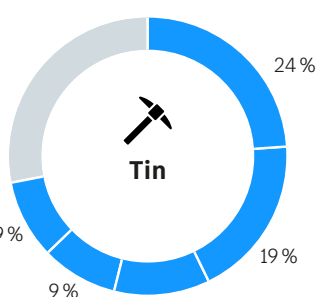
Mining and Beneficiation ⁴⁹

- DRC: 51%
- Nigeria: 16%
- Rwanda: 15%
- Brazil: 8%
- China: 3%



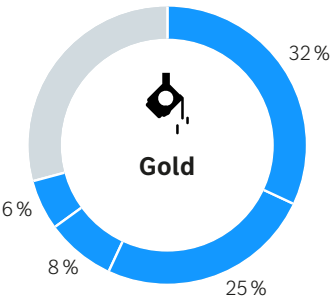
Mining and Beneficiation ⁴⁹

- China: 82%
- Vietnam: 4%
- Russia: 2%
- North Korea: 2%
- Bolivia: 2%



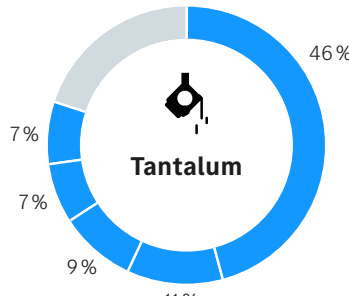
Mining and Beneficiation ⁴⁹

- China: 24%
- Indonesia: 19%
- Peru: 11%
- Brazil: 9%
- DRC: 9%



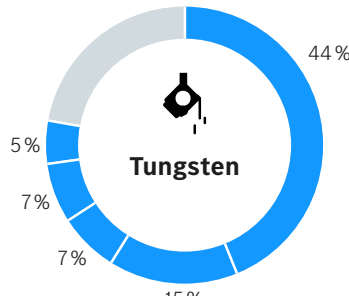
Smelting and Refining ⁵⁰

- China: 32%
- India: 25%
- United States: 8%
- Türkiye: 6%



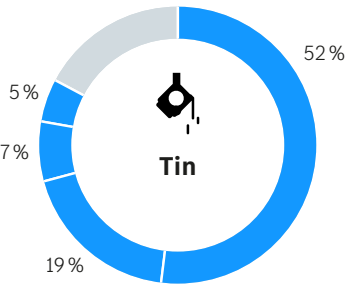
Smelting and Refining ⁵⁰

- China: 46%
- USA: 11%
- Japan: 9%
- Germany: 7%
- Brazil: 7%



Smelting and Refining ⁵⁰

- China: 44%
- Russia: 15%
- Vietnam: 7%
- United States: 7%
- South Korea: 5%



Smelting and Refining ⁵⁰

- China: 52%
- Indonesia: 19%
- Peru: 7%
- Malaysia: 5%

⁴⁹ Gold ➤ [USGS 2026, Data 2024](#)
Tantalum ➤ [USGS 2026, Data 2024](#)
Tin ➤ [USGS 2026, Data 2024](#)
Tungsten ➤ [USGS 2026, Data 2024](#)

⁵⁰ Gold ➤ [RMIS-Raw Materials Information System](#)
Tantalum ➤ [RMIS-Raw Materials Information System](#)
Tin ➤ [RMIS-Raw Materials Information System](#)
Tungsten ➤ [RMIS-Raw Materials Information System](#)

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Au
Gold

Ta
Tantalum

Sn
Tin

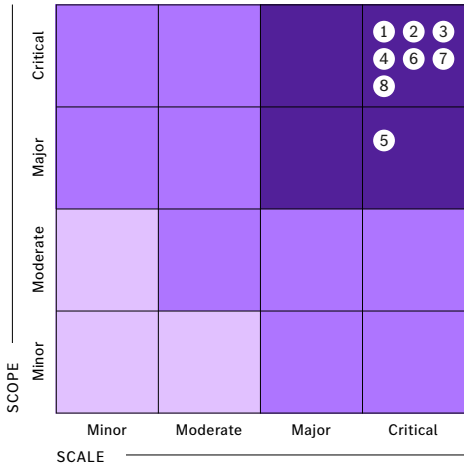
W
Tungsten

3TG

Risk Profile for Gold

- 1
- Working Conditions incl. Occupational Health and Safety
- 2
- Child Labour
- 3
- Modern Slavery incl. Forced Labour
- 4
- Community and Indigenous Rights
- 5
- Excessive Violence by Public and Private Security Forces
- 6
- Environmental Risks with Impact on Human Rights
- 7
- Business Conduct in CAHRAS
- 8
- Serious Human Rights Abuses

Risk Analysis for Gold



Focus Parts/Commodities⁵¹

Focus components not shown in the visualization: Busbar, Onboard charger, Inverter, Selected Electronic Control Units (e.g. Airbag ECU), Ultrasonic Motion Sensor.

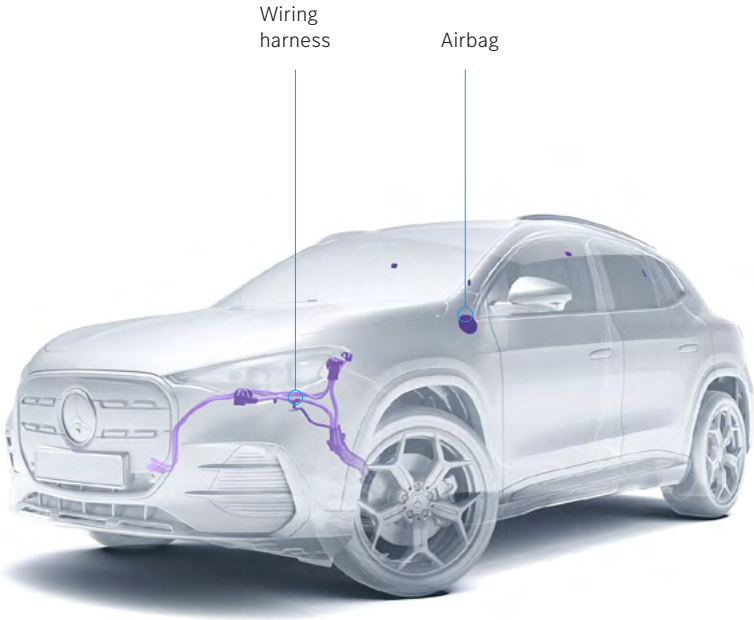


Illustration shown may not exactly reflect the original.

⁵¹ The focus part commodities refer to tin and gold

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Raw Material Prioritisation		Aluminium	Chromium	Cobalt	Copper	Graphite	Iron	Leather	Lithium	Manganese	Mica	Nickel	PGMs	Rubber	REEs	Silica Sand and Silicon	3TG	

Au
Gold

Ta
Tantalum

Sn
Tin

W
Tungsten

3TG

Tier-1/ Direct Suppliers^{52 53}

Number of existing suppliers behind all focus parts:	21
Average DDQ rating:	65%
Number of suppliers implementing measures to improve DDQ score:	1

Systematic Risk Context

Gold, tin, tantalum and tungsten differ in their chemical composition, physical characteristics as well as geological deposits, which is why mining and processing methods and economic applications across those minerals vary. What unites these raw materials is that they play a critical role in numerous electronic components in the automotive sector. In addition, alongside large-scale industrial mining (LSM), they share a relatively high proportion of ASM in global primary production. It is estimated that around 20% of the global gold production, 25% of the world’s tin and tantalum production as well as 5–10% of the world’s tungsten production derives from ASM, representing a substantial proportion of workers (e.g. 10–20 million in gold ASM). Given the fact that there is a high

prevalence of informal ASM operations, estimations vary greatly. Informality intensifies the precariousness of these miners, making them vulnerable to several salient risk areas.

ASM operations tend to use manual mining methods, with limited or no mechanised mining equipment and lack of personal protective equipment, leaving them vulnerable to serious occupational health and safety risks that pose a risk to life, such as through prolonged exposure to dust and toxic substances or fatal consequences from ground collapses. ASM also represents an important source of income for women who, however, are confronted with gender disparities and sexual and gender-based violence in this sector. Intersecting with poverty, child labour is a systemic component in ASM operations. Both ASM and LSM operations can create significant environmental and social challenges affecting communities (incl. Indigenous Peoples) living near mining operations such as through displacements, water/soil/air contamination, deforestation or distorted access to natural resources.

Due to the strong presence of ASM production in countries plagued by conflicts and high risks, such as in the eastern part of the Democratic Republic of the Congo (DRC) and adjoining countries, 3TG minerals are grouped as “conflict minerals” based on their potential

role in fuelling violent conflicts. In particular, in conflict-affected and high-risk regions, civilians including miners are at risk of being subjected to forced labour and widespread atrocities.

3TG-containing commodities arrive at Mercedes-Benz as sophisticated products, which is why there is limited upstream transparency.

Stakeholder Engagement

- Dialogue with industry peers on enhanced due diligence sourcing from CAHRAs
- Exchange with industry initiatives on challenges and potential improvements for enhancing responsible sourcing from CAHRAs
- Bilateral exchanges with smelters and refiners on risk mitigation measures when sourcing from CAHRAs
- Dialouges with multistakeholder alliance working on ASM
- Ongoing sustainability dialogues with suppliers on due diligence measures and efforts
- Dialogue with international civil society organisations on human rights risks in 3TG supply chain
- Participation in multi stakeholder platforms to contribute to sector wide improvements in responsible sourcing and alignment with recognised standards

⁵² > World Bank Document
⁵³ > Rohstoffwirtschaftlicher Steckbriefe - Wolfram (2014)

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Au
Gold

Ta
Tantalum

Sn
Tin

W
Tungsten

Mercedes-Benz Risk Mitigation Strategy for 3TG

Effective Standards

Standards hold significant potential to identify risks, induce and monitor continuous improvement as well as to support downstream manufacturers in effective due diligence management in supply chains. Mercedes-Benz is committed to improving existing standards by contributing to the development of standard systems that are effective in terms of governance, audit processes and that address risk areas effectively through best practice standard requirements, such as through our standard guidance ([➤Guidance: Mining and Supply Chain Standards | MBSP 2.0](#)).

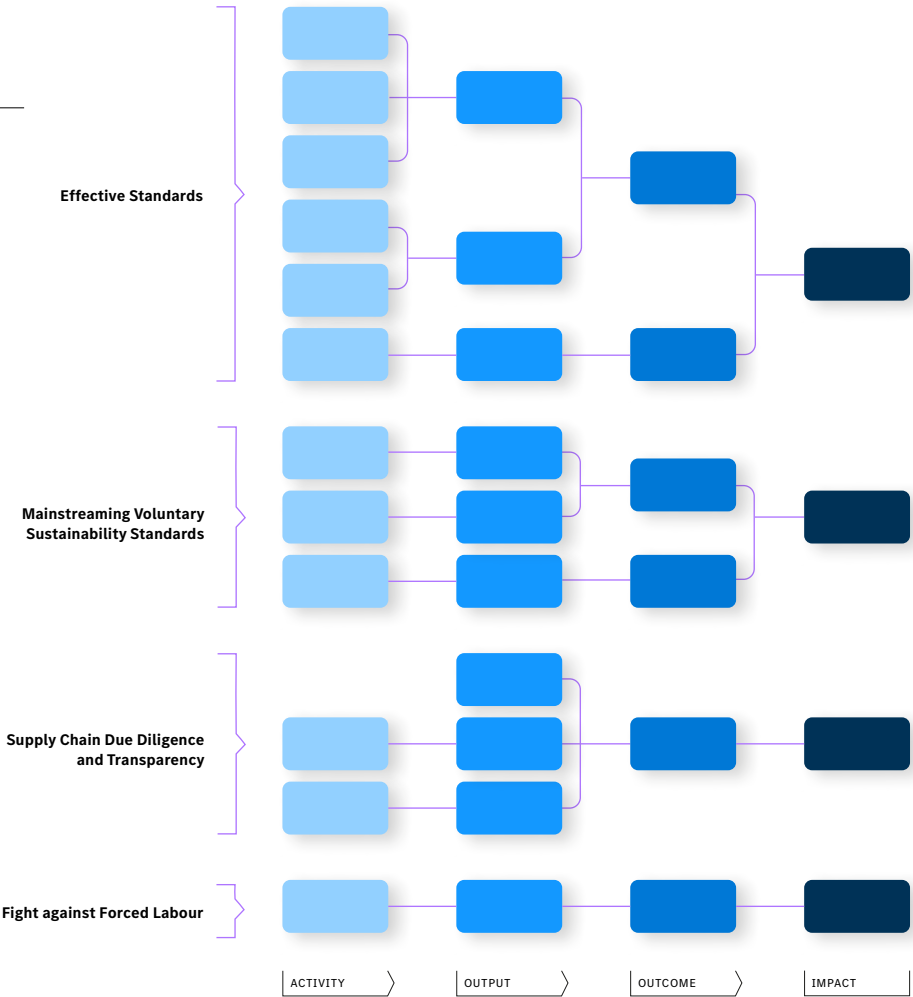
Mainstreaming Voluntary Sustainability Standards

Demand is the strongest driver for the uptake of standards in raw material supply chains. To increase demand, Mercedes-Benz publicly promotes the value of effective voluntary standards to key stakeholder groups and continuously introduces awarding premises on mining level as well as adequate standards on processor level such as RMI RMAP for 3TG processors. This is embedded in our Responsible Sourcing Standards for all 3TG containing commodities.

Supply Chain Due Diligence and Transparency

Transparency on high-risk actors and hotspots in the supply chain is key when it comes to enhancing due diligence measures in the supply chain. With the collection of Conflict Minerals Reporting Templates from our 3TG suppliers, Mercedes-Benz monitors the implementation of our due diligence requirements.

➔ For further information click here



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Au
Gold

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Tantalum

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Tungsten

Mercedes-Benz Risk Mitigation Strategy for 3TG

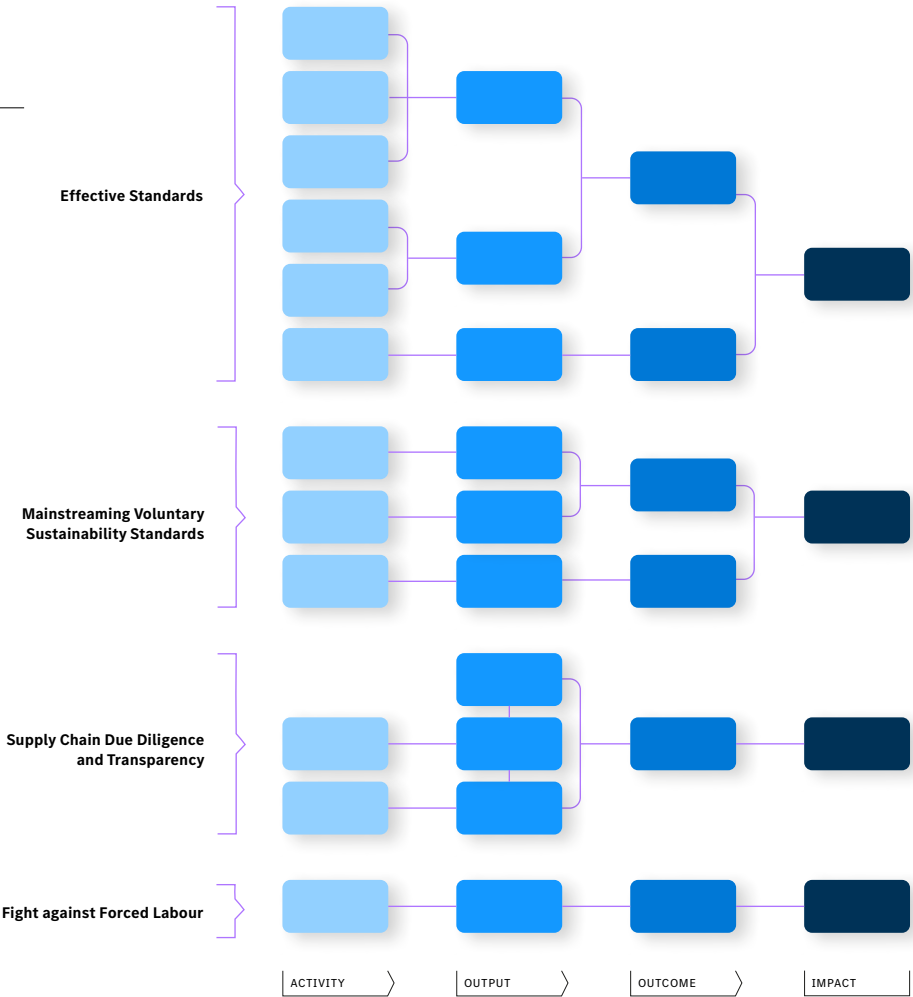
Fight Against Forced Labour

Mercedes-Benz operates according to the principle of “empowerment before withdrawal.” Mercedes-Benz believes in significantly improving the status quo rather than taking the easiest route. Therefore, instead of simply excluding suppliers when issues arise, the company strives to collaborate with them to address the findings. Immediate exclusion might create the illusion of a “clean supply chain,” but it would not improve the situation for the workers and local people. Should this not be possible for several reasons, e.g. lack of cooperation and improvement in a defined timeframe or in case of state-imposed forced labour, Mercedes-Benz reserves the right to terminate business relationships with critical partners or restructure selected supply chains to eradicate forced labour in its supply chains. This approach helps Mercedes-Benz to prepare for and align with various regulatory requirements such as CSDDD and meets our own internal ethical standards.

Responsible Management of ASM

Mercedes-Benz applies a cross-material ASM approach where ASM risks may be present. This includes internal guidance to ensure consistent decision-making and communication, and ASM specific expectations embedded in due diligence requirements. It is complemented by exchanges with suppliers, affected stakeholders and peers to raise awareness as well as through identification of high-risk suppliers and planned capacity-building. For 3TG, this is enhanced by its membership engagement within the European Partnership for Responsible Minerals which also supports miners on the ground. For more information on our ASM activities, see ([→ ASM](#)).

→ For further information click here



LOCAL SPOTLIGHTS

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03

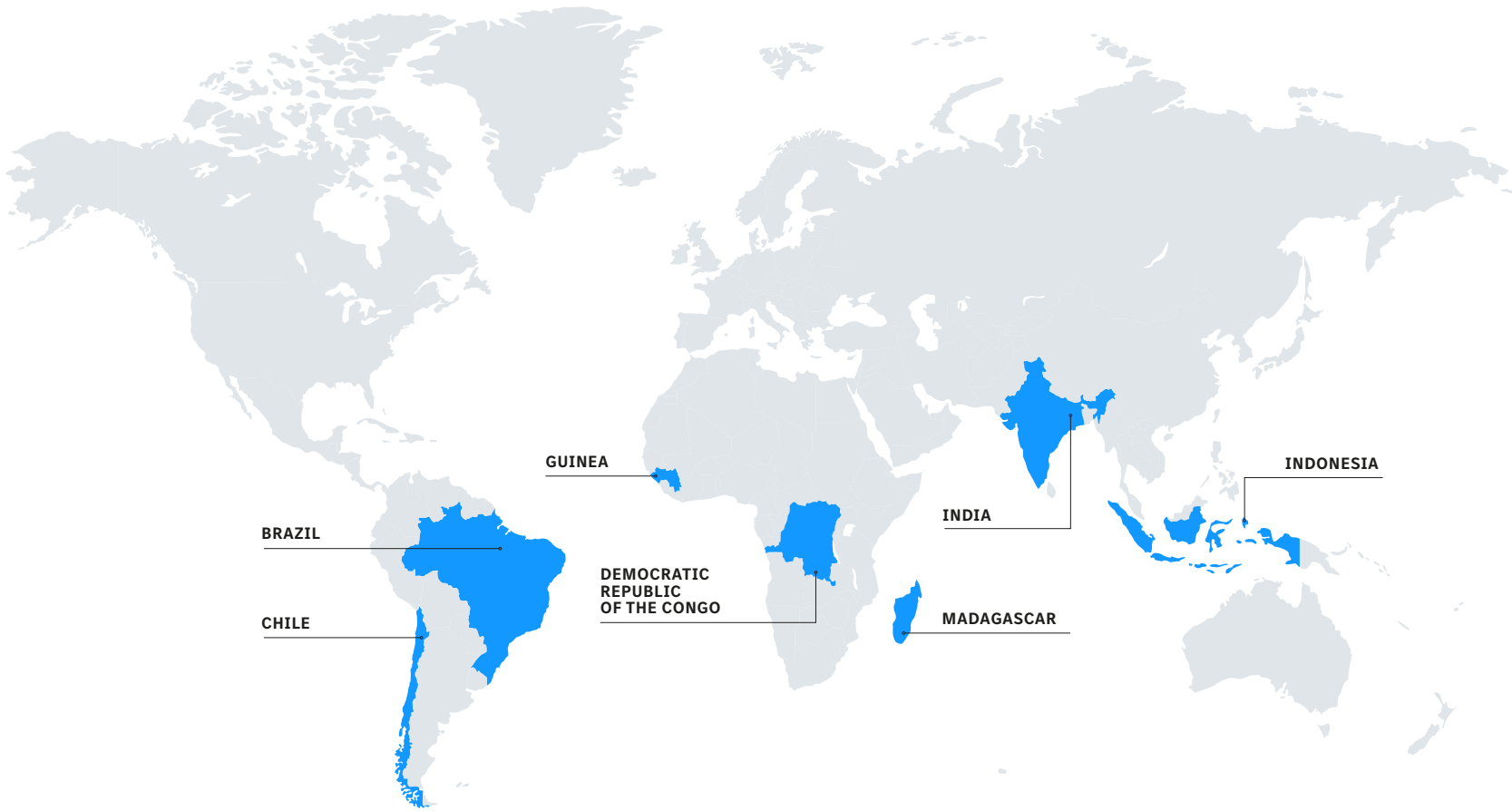
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Local Spotlights | Exploring Our Global Efforts

Our supplier-related due diligence activities follow a clear risk-based approach: the higher the assessed risk, the more intensive the required measures. These range from the binding Responsible Sourcing Standards (RSS) that apply to all suppliers to progressively more specific requirements – up to targeted improvement measures for suppliers operating in higher-risk contexts.

In situations requiring heightened due diligence – for example due to high exposure, significant dependencies, or direct links to the source of risk – Mercedes-Benz implements targeted measures for identified critical raw materials. These actions address material-specific human rights and environmental risks at upstream stages of the supply chain and represent a central element of our strategic approach to responsible sourcing.

The subsequent chapter outlines these actions in detail and provides an overview of our ongoing efforts to mitigate risks in raw-material supply chains.



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Brazil / Pará

Measure:	Corridor-Programme
Focus materials:	Aluminium/Bauxite
Focus country:	Brazil
	
Aspired outcome:	Sourcing low-CO2 aluminium, promoting human rights and local income as well as enhancing biodiversity and low-carbon supply chains

Background
Low CO₂ aluminium is essential for Mercedes-Benz’s decarbonization strategy, while aluminium supply chains face environmental, social, and governance risks in regions of high ecological value. To address these challenges, the Paragominas-Barcarena Corridor Programme in Pará, Brazil was launched as a multi-partner initiative bringing together Norsk Hydro,

Mercedes-Benz, and other implementing partners to combine responsible aluminium sourcing with measurable positive territorial impact.

The programme goes beyond the immediate impact of production sites to create a positive legacy of industrial presence focused on environmental protection, human rights, and local socioeconomic development. Implemented through a partner network⁵⁴, it covers 42 communities along the bauxite pipeline Paragominas-Barcarena. A dedicated governance structure ensures transparent decision-making and active stakeholder/community involvement.

The Corridor Programme follows a holistic framework built on three pillars, with human rights as foundation:

- Environmental: measured by e.g. reduced net deforestation; hectares restored or transitioned to sustainable land use models
- Economic: nature based and low emission supply chains (e.g. agroforestry); measured by people benefiting from productive activities
- Social: strengthening local capacities (e.g. income generation); measured by direct and indirect social impact

Results

- 4.6 million hectares analysed for land tenure, land cover, land use, and reforestation/ restoration potential
- approximately 80,000 hectares identified as suitable for low-effort restoration
- 12,5 hectares prepared for agroforestry restoration
- 12 businesses actively engaged in social impact initiatives
- Community level SPI adapted in three Quilombola communities (188 house-holds surveyed)
- All seven Corridor region municipalities committed to the SPI, ensuring full territorial coverage
- Dialogues with 35 municipal secretariats to strengthen SPI use

The programme currently comprises six ongoing projects, with several million dollars committed for until 2027 by the partners. A community based Call for Projects, co funded by



Community Market, Pará, Brazil, 2025, LED Producoes

Mercedes-Benz and implemented with CEA, IPAM, and IMAZON, received over 100 applications and will support 42 community driven initiatives by mid 2027.

The ambition is to make the Paragominas-Barcarena Corridor a reference for sustainable development in the Amazon by 2035.

⁵⁴ Incl. Fundo Hydro, CEA, IPAM, IMAZON, Belterra, Mitsui and Co., Fundação Mitui, Embrapa

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Brazil

Measure:	Building deforestation free and fully traceable supply chains
Focus material:	Leather
Focus country:	Brazil
	
Aspired outcome:	Achieve 100% traceability across all risk exposed supply chains and ensure the exclusion of deforestation and the respect of the rights of Indigenous Peoples

Background

Only a small share of leather used by Mercedes-Benz originates from Brazil (approximately 3% in 2024). Farm level traceability is essential to identify risks such as illegal deforestation or land use rights violations. This is particularly important given the structure of the Brazilian cattle sector, where breeding, rearing,

and fattening often take place on different farms, with frequent animal movements. This fragmentation complicates continuous traceability back to the birth farm and has led to transparency gaps and cases of cattle laundering.

Since 2023, a memorandum of understanding (MoU) with a Brazilian supplier and an international organization has formed the basis for systematically verifying the origin of hides and ensuring robust, scalable, and verifiable deforestation-free leather flows. The project covers all leather sourced from Brazil, handled through a single supplier that sources from a maximum of two tanneries and delivers into vehicle programs including the EQE SUV, EQS SUV, and the new GLC and C Class launching in 2026. Instead of excluding Brazil as a sourcing country, the project addresses key challenges by

- Implementing traceability systems down to the respective birth farm
- Conducting geospatial risk checks against protected areas, such as territories of Indigenous Peoples and known deforestation

- polygons (using data e.g. from PRODES, CAR, sanction and embargo lists)
- Ensuring only compliant hides enter Mercedes-Benz car production
 - Carrying out regular independent reviews that verify completeness, quality, and protocol integrity

Results

- Our Project –from concept to demonstrated impact:
- 100% of hides delivered from Brazil in 2025 traceable to the birth farm
 - 100% of these hides compliant with the above mentioned risk screening procedure and therefore deforestation free
 - Traceability for vehicles GLC and C-Class (520, 540, launching in 2026) down to two respective farms
 - More than 60% external verification across deeper tier-n levels and more than 50% at birth farm level



Mercedes-Benz field visit at Tannery, Brazil, 2024, Camila Oliveira

Outlook

- Protocol adherences for all new supplier projects
- Extension to potential additional future Brazilian supply streams
- Gradual increase of externally audited hide share
- Driving programme expansion to non Mercedes-Benz hides through capacity building for systemic improvements

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Chile

Measure:	Responsible Lithium Partnership
Focus material:	Lithium
Focus country:	Chile
Aspired outcome:	Ongoing exchange with stakeholders and rights holders to address the drivers of negative impacts

Background

The Salar de Atacama hosts the world’s largest lithium reserves and accounts for approximately 22% of global lithium production in 2024, making it a strategically important region for the global energy transition. The region is hyper arid, highly water scarce and ecologically sensitive. Water availability is a persistent challenge. Changes in water and brine levels pose significant risks to local ecosystems, biodiversity, and community

livelihoods, which are core elements of sustainable natural resource management.

Objectives

- Establish multi-stakeholder roundtable (Mesa Multiactor) with approximately 20 stakeholders – many of whom had never previously collaborated
- Develop, adopt and implement a Joint Action Plan with 30 measures to improve water management across the Salar basin
- Reduce scientific uncertainties by creating an accessible public knowledge base
- Create a structured, science based, neutral dialogue mechanism for sustainable governance and long-term risk mitigation in the supply chain
- Build trust and enable cooperation through neutral facilitation by GIZ, ensuring transparency, participation and local ownership

Results

- Institutionalisation (February 2025): Mesa Multiactor formally transitioned into an independent Chilean foundation, ensuring long-term continuity
- Implementation progress: By 2024, 14 of the 30 measures had already been completed or advanced

Improved water governance:

- Creation of a water rights cadastre documenting all basin water users and access rights
- Introduction of river flow monitoring systems and hydrogeological mapping

Concrete on-the-ground measures:

- A grey water recycling system installed at a local high school (5,000 litres/week capacity)
- Pilot for efficient irrigation methods creating new sustainable water sources
- Awareness campaigns on water scarcity

Knowledge access:

- Launch of an online platform hosting more than 300 water-related studies to strengthen evidence-based decision-making

Capacity building:

- Leadership training for local civil society actors to strengthen territorial governance

Trust and collaboration:

- External evaluation shows that 80% of participants reported increased trust, and 60% became active promoters of the Mesa process

Corporate learning

- Mercedes-Benz and partners emphasised improved understanding of human rights and environmental risks, strengthening due diligence

Outlook

The Mesa Multiactor Foundation continues to ensure long-term stewardship, maintaining focus

on water sustainability and natural resource management in Salar Basin.

Continued implementation of the joint action plan, with expansion into related territorial priorities such as biodiversity protection, community well being, local water security, and energy challenges.

The platform remains a model for multi-stakeholder resource governance, serving as a blueprint for responsible sourcing frameworks across global supply chains, including the automotive sector.

Closing-event insights confirm strong local ownership and the foundation’s central role in long-term regional sustainability governance.



Signing Ceremony of Mesa Joint Action Plan, Chile, 2024,
➔ [Mesa Multiactor](#)

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Democratic Republic of the Congo

Measure:	Prevention, remediation, education and sustainable livelihoods as interlinked pathways to eliminate child labour
Focus material:	Cobalt
Focus country:	Democratic Republic of the Congo
	
Aspired outcome:	Eliminate, prevent and remediate child labour in cobalt mining

Background

More than 70% of the world’s cobalt is mined in the Copperbelt region in the Democratic Republic of the Congo (DRC). An estimated 10–15% of the cobalt is sourced from ASM sites, where child labour remains a significant concern. Children may be involved either to contribute to household income or due to a lack of alternatives for care, education, or safe accommodation, leading to their presence at mining sites. Distinguishing

between working children and children present at mine sites more generally remains challenging.

Since 2019, Mercedes-Benz has supported the Good Shepherd International Foundation (GSIF) and Bon Pasteur through a long-term programme in ASM sites in the Kolwezi region. While earlier project phases of the project had a broader focus on improved living conditions and child protection, Mercedes-Benz has committed to a new phase which aims at contributing to the reduction of child labour in artisanal mining communities in Kolwezi. This phase follows an integrated approach that combines prevention, remediation, education and sustainable livelihoods for vulnerable families.

- Objectives**
- Strengthening child labour remediation and prevention systems
 - Promoting sustainable alternative livelihoods and economic empowerment for vulnerable families (especially women and youth)
 - Providing access for children aged 6–13 to quality, full-day primary education and safe

- child-friendly environments
- Supporting the successful transition of children aged 14–18 to secondary education or vocational training

- Expected results**
- 300 children per year transitioned from hazardous labour into safe education and protection pathways through effective remediation and case management systems
 - Household income and resilience strengthened through sustainable livelihoods, ensuring that at least 85% of remediated children from supported families remain out of mining



School in Nyokabi Kahura, DRC, GSIF



Women Farming, Chakhuishi Project, DRC, GSIF

- 300 families of remediated children (at least 70% women-headed households) supported through livelihood diversification and savings pathways to sustainably prevent child labour
- School enrolment and retention increased, especially among girls
- Community capacity strengthened to detect, prevent, and respond to child labour cases
- This project, implemented by GSIF/Bon Pasteur Democratic Republic of the Congo (DRC), is a collaborative Mercedes-Benz Corporate Social Responsibility initiative, developed in partnership with Social Compliance and Sustainability Supply Chain departments. It will commence in spring 2026 and run until 2029

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AI

Aluminium

Guinea

Measure:	Bauxite and Alumina: Collaborative Effort for responsible bauxite and Guinea
Focus materials:	Bauxite/Alumina
Focus country:	Guinea
	
Aspired outcome:	Rehabilitation and protection of surface water to address a nexus of issues around livelihoods, biodiversity and water availability

The automobile manufacturers

Mercedes-Benz AG, AUDI AG, and BMW Group, together with the mining company Compagnie des Bauxites de Guinée (CBG), are jointly implementing a project to address and mitigate social and environmental challenges associated with bauxite mining in Guinea. Guinea holds the world’s largest reserves of bauxite, making it a key supplier for decades to come. Bauxite is a

key raw material for aluminium production, which is essential for the construction of vehicles. At the same time, bauxite mining in Guinea carries inherent risks, with documented social and environmental impacts. To respond, the companies have commissioned Projekt Consult (GFA Group) to implement concrete measures to address the adverse impacts of bauxite mining in Guinea and prevent risks from materialising. The cooperation underscores the companies’ commitment to achieving sustainability impact and scalability, uniting their efforts to generate genuine value and meaningful results. The initial focus of the project is the rehabilitation and protection of selected rivers and streams as essential sources of fresh-water for the livelihoods of mining communities.

The initiative is a result of detailed risk analysis and close engagement with local civil society and mining-affected communities, whose input will guide on-the-ground activities. The project is fully funded by Mercedes-Benz AG, AUDI AG, BMW Group, and CBG, and welcomes additional industry partners to join in advancing more responsible raw material sourcing.



Field visit to Sangaredi, Guinea, 2023, Johannes Danz

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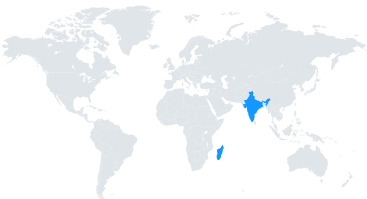


India and Madagascar

Measure: Strengthening risk mitigation through community resilience in high-risk ASM mica regions, in cooperation with selected partners to address structural challenges and support mining communities

Focus material: Mica

Focus countries: India and Madagascar



Aspired outcome: Improve living and working conditions in the targeted projects by reducing child labour exposure, enhancing safety in mining and processing contexts, and strengthening community structures such as child protection groups, local schools and family support mechanisms

Background

A significant share of mica used globally in industrial applications is sourced from artisanal and small-scale mining (→ ASM) areas

in India and Madagascar, where documented risks include child labour and unsafe working conditions (→ Mica). Against this background, Mercedes-Benz focuses on targeted, on-the-ground engagement to address these risks directly in affected regions.

Responsible Mica Initiative (→ RMI)

As an active RMI member, Mercedes-Benz supports on-the-ground projects in India and Madagascar aimed at eliminating unacceptable working conditions and child labour by 2030. Activities focus on education, alternative income opportunities, and strengthening local community systems. In 2025, RMI partners reached more than 6,000 people in India and Madagascar, including over 1,280 newly enrolled children, expanded OHS training and PPE distribution at ASM sites, and strengthened audit and processor level compliance.

Terre des Hommes (TdH)-community project in Jharkhand, India

TdH implements community-based measures in mica-dependent regions, covering child protec-

tion, education, and livelihood support. In 2025, Mercedes-Benz contributed to these efforts through Corporate Social Responsibility (CSR) activities as one of the supporting partners within a wider multi-stakeholder programme. Documented results across 30 villages supported by the programme include 285 children (re-)enrolled in school, 1,264 young children accessing early childhood education, and 672 families increasing their household income.

Field engagement India and Madagascar

Field visits by a Mercedes-Benz employee and industrial partners to India (2024) and Madagascar (2025) enabled direct exchanges with miners, processors and community members, providing essential on-the-ground insights into working conditions, community realities and context-specific challenges and needs across key ASM regions. These engagements helped clarify local priorities, ensuring that upcoming activities target those most exposed to ASM-related risks.

Madagascar cooperation project

Together with industry partners, mining locations and project partners have been identified where specific measures will be implemented in 2026 to improve working and living conditions for mining workers and their families.

Outlook

- Implementation of 2026 measures in Madagascar
- Continued CSR support for community empowerment and risk prevention in mica-dependent regions in India
- Ongoing cooperation with RMI, NGOs and sector partners to strengthen upstream risk mitigation and long term community resilience



Responsible Mica Initiative field visit, Madagascar, 2025, → RMI Mica



Responsible Mica Initiative field visit, India, 2024, → RMI Mica

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Ni
Nickel

Indonesia

Measure:	Improvement of Community Health, access to safe drinking water and restoration strategies for marine biodiversity
Focus material:	Nickel
Focus country:	Indonesia
	
Aspired outcome:	Reduce community-prioritised impacts from nickel mining and processing in the Weda Bay area

Background

The Nickel Impact Programme in Indonesia (NIPI) aims to address and mitigate risks associated with nickel production on the island of Halmahera in eastern Indonesia.

Indonesia is the world’s largest nickel producer, accounting for nearly 60% of global supply. With

an annual output of approximately 30,000 tons, the Weda Bay Nickel Mine alone contributes around 17% of national production, making it one of the largest nickel sites globally.

At the same time, the island of Halmahera is marked by seismic activity, fragile ecosystems, and communities exposed to risks. As a result, nickel mining and processing in Weda Bay is inherently high-risk, with documented social and environmental impacts such as health issues in local communities, air and water pollution, and loss of biodiversity in the surrounding environment.

plans to address the impacts of nickel mining and processing

- Improvement of Community Health by community awareness and prevention campaigns and strengthening of capacities of health workers
- Access to safe drinking water by community-based monitoring system
- Improvement of marine biodiversity by development of restoration strategy with concrete commitments from industrial park and authorities

Outlook

- Community-prioritised impacts are validated in all 10 villages
- MoU signed with Central Halmahera government
- Central Halmahera CSR Forum took place
- First Health workshop series have been conducted
- Immediate health relief options selected, KPIs defined
- Access to water-measures selected and KPIs defined

NIPI will focus on 10 selected villages surrounding the Indonesia Weda Bay Industrial Park and Weda Bay Nickel mine.

Objectives

- Establish a Community Forum with participation from local communities, representatives from national and regional governments, companies and civil society organizations to jointly identify challenges and develop action



Puskesmas Lelilef Community Health Centre, 2026, Lisa Fleckenstein

- First impact forum meeting on environmental pollution took place
- Marine biodiversity study completed

NIPI started in September 2025 and will be implemented over a duration of 3 years. The project is jointly commissioned by Mercedes-Benz AG, Volkswagen AG, and BMW Group, and implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).



CROSS-CUTTING AREAS OF ACTION

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The following chapter provides deeper insights into selected cross-cutting topics relevant to human rights and environmental due diligence, including artisanal and small scale mining (ASM), supplier audits, gender-responsive due diligence, forced labour risk assessments, and business activities in conflict affected and high risk areas (CAHRAs).

In addition, the chapter presents a timeline highlighting Mercedes-Benz's active participation in selected conferences and multi-stakeholder initiatives.

04

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Tier-N Due Diligence Programme

Mercedes-Benz is raising the bar for responsible battery production by implementing one of the industry’s most comprehensive sustainability audit programmes. Working with independent expert (SLR Consulting), due diligence audits are conducted for cobalt, lithium, nickel, copper, graphite and mica across the entire battery supply chain. These audits ensure a high level of transparency within the boundaries of feasible access and supplier cooperation and reinforce Mercedes-Benz’s commitment to responsible sourcing. Building on systematic OECD-aligned audits already established since 2018, Mercedes-Benz drives industry standards forward and enables its entire supply chain to continuously improve.

Achievements 2025

- Permanent mapping and validated supply chain data up to tier-n level across multiple critical raw materials
- Risk-based audit and continuous re-audit approach
- Completion of 42 on-site audits, among these are more than 28% re-audits with improvement of the audit scoring between 10% to 200%
- 8 Due Diligence Management System (DDMS) supplier trainings, onsite and remote, on DDMS topics and individual corrective actions conducted
- More than 20 dialogues with individual midstream and upstream supply chain members

Challenges 2025

- Slower audit acceptance, often unresponsiveness of suppliers and reluctant and incomplete supply chain disclosure during audit

Findings

- Downstream: DDMS with gaps and lack in tier-n supply chain transparency
- Midstream: DDMS implementation incomplete
- Upstream: Gaps in grievance mechanisms, stakeholder engagement and certification validity

Outlook

- Continuous empowerment of deeper supply chains through trainings
- Expansion of raw materials in scope towards steel

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Artisanal and Small-Scale Mining

Artisanal and small-scale mining (ASM) describes a complex and diverse economic field of mining activities, ranging from the simplest forms of mining by individuals to semi-mechanised companies or cooperatives with several hundred or thousands of employees.

In contexts characterised by lacking regulation, weak enforcement or high bureaucratic and financial barriers, informal ASM often emerges and is frequently associated with significant human rights and environmental risks.

While much focus has been on industrial mining, ASM represents a significant share of the global mining workforce and contributes substantially to mineral supply and socio-economic development in many regions.

Its share to the global supply of minerals has experienced significant growth, such as for minerals like cobalt (from 5% in late 2000s to approximately over 12%)⁵⁵. ASM miners make up

the world's largest mining workforce with approximately 45 million miners across 80 countries⁵⁵. An additional 134 million people depend on ASM through family dependencies and those who provide a wide variety of services related to ASM⁵⁵. Hence, the sector plays a vital role for livelihoods in areas marked by high levels of poverty and little alternative income opportunities.

As an Original Equipment Manufacturer (OEM), Mercedes-Benz operates at the downstream end of long and complex supply chains. Like any other industry that produces industrial goods – ranging from electronics to mechanical engineering or the construction sector – Mercedes-Benz cannot completely rule out that raw materials in our supply chain originate from artisanal and small-scale mining. Due to the high complexity and lack of transparency in the informal sector, enhancing transparency in supply chains represents a significant challenge. This challenge is not unique to Mercedes-Benz but also affects other companies, public authorities and civil society.

The risks associated with artisanal and small-scale mining therefore represent a shared challenge that cannot be addressed by individual actors alone. Despite these challenges, Mercedes-Benz is engaged in contributing to an improvement of the situation of artisanal and small-scale miners on a systemic level and where possible, also specifically within our own supply chains.

Achievements and continuous activities

Awareness and industry dialogue

- Strategy paper internally developed
- Company-wide ASM FAQ and internal awareness formats implemented
- Hosting of Mercedes-Benz Sustainability Dialogue breakout session-topic: Dealing with challenges of ASM in raw material supply chains
- Actively engaged in external stakeholder platforms to drive industry-wide dialogue

Support for affected communities

- Engagement in Responsible Mica Initiative (→ RMI)

- Member of the European Partnership for Responsible Minerals (EPRM) supporting responsible ASM, formalisation and local projects (→ [The European Partnership for Responsible Minerals](#))
- Funding multi-stakeholder projects in high-risk regions (→ [Spotlight India and Madagascar](#))



RMI Members Field Visit Mica ASM Mines, South of Madagascar, 2025, RMI Mica

⁵⁵ → [World Bank Document](#)

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Artisanal and Small-Scale Mining

Stronger requirements in procurement

- ASM and human rights expectations integrated into Responsible Sourcing Standards ([↗ RSS](#))
- Mercedes-Benz mandatory sourcing requirements for smelters/refiners (RMI standards) ([↗ RSS](#))
- Active participation in revisions of standards ([↗ Effectiveness Monitoring](#))
- Assessment of ASM-specific standards (e.g. [↗ CRAFT](#))

Risk assessments and on-site-insights

- Targeted site visits to better understand the complexity of context, risks and community needs ([↗ Spotlight India and Madagascar](#))
- Awareness-raising on ASM risks in supplier dialogues

Outlook

ASM capacity building for suppliers

- Supporting EPRM's development of a targeted ASM training for suppliers
- Strengthening prevention and risk-based action throughout the supply chain

Continuous stakeholder exchange

- Structured dialogue with communities, experts and suppliers
- Integrating local feedback directly into measures and procurement processes

Continued risk evaluation

- Regular raw material risk assessments and re-evaluation with focus on ASM

Madagascar mica project cooperation

- Mining locations and project partners were jointly identified in 2025. In 2026, concrete measures will be implemented ([↗ Spotlight India and Madagascar](#))

Implementation of a new phase for Democratic Republic of the Congo (DRC) Cobalt Bon Pasteur project

- Prevention, Remediation, Education and Sustainable livelihoods as interlinked pathways to eliminate child labour ([↗ Spotlight DRC](#))

Evaluation of further promotion for a mica project in India ([↗ Spotlight India and Madagascar](#))

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Gender-Responsive Due Diligence

Human rights violations are not gender neutral and should not be treated as such. It is widely documented that women and girls experience adverse impacts of business activities differently and often disproportionately. They also face additional barriers in seeking access to effective remedies. Moreover, because of intersecting and multiple forms of discrimination, the nature and severity of impacts can vary significantly among different groups of women and girls.

Mercedes-Benz is working diligently to adopt a Gender-Responsive Due Diligence (GRDD) approach to responsibly identify and mitigate gender-specific risks. GRDD goes beyond adding gender as a standalone thematic area: it recognises the specific needs and vulnerability of different genders and analyses how business activities might contribute to gender-based inequalities. This supports a more holistic application of a gender perspective across all stages of the due diligence process.

The most severe risks for women and girls are typically located at upstream supply chain levels where Mercedes-Benz has limited leverage due to not sourcing directly and the complexity of the supply chains. Additionally, Mercedes-Benz found a mismatch between perceived risk and lack of reported incidents, which are likely caused by missing access to efficient reporting tools and gender-sensitive grievance mechanisms. Gender-specific risks are often side effects or directly caused by systemic issues, such as poverty. Therefore, a multi-stakeholder collaboration approach between governments, private sectors, civil society and affected groups is essential to efficiently implement Gender Responsive Due Diligence.

Mercedes-Benz has identified three paths to progress in this mission: Stakeholder Engagement, Awareness Raising and Public Commitments.

Achievements 2025

- More than 10 stakeholder engagements conducted
- Participation in a delegation trip “Women in Mining” by the German Chamber of Commerce to Chile to learn from best practice examples and exchange with local communities and women leaders on women in mining
- Inclusion of GRDD requirements in our Responsible Sourcing Standards
- Collection of gender-disaggregated data from more than 10 audits in the battery supply chain to gain insights of the level of awareness of GRDD topics within our supply chain
- Participation in more than 3 panels on GRDD on international conferences to raise awareness for the topic

Outlook

- Continue stakeholder engagement particularly with women miners
- Continue collection of gender-disaggregated data within our supply chains
- Continue exploration of gender-sensitive grievance mechanisms
- Develop targeted supplier training on GRDD
- Continue awareness-raising through participation in panels and webinars
- Work on a gender risk assessment for a specific supply chain
- Develop mandatory gender components for our on-the-ground projects

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Gender-Responsive Due Diligence

Three central pillars of Mercedes-Benz GRDD activities



Next steps

Strengthen and engage in multiple-stakeholder engagement to further promote GRDD
Engage in supplier outreach and training/guidance

Insights
„Women in Mining“, Delegation trip by the Chamber of Commerce ([➔AHK Chile](#))



Visit of Copper Mine Site with German Chamber of Commerce (AHK) , Chile, 2025, Lisa Fleckenstein



Exchange with Local Communities and Women Miners, Chile, 2025, Lisa Fleckenstein

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Forced Labour Risk Assessments

According to estimates by the International Labour Organization (ILO), approximately 27,6 million people, including men, women and children, are affected by forced labour worldwide. By signing the Responsible Sourcing Standards ([↗RSS](#)), Mercedes-Benz and its suppliers commit to prohibiting all forms of forced labour as defined by the ILO and to establishing effective prevention measures.

To reliably identify potential forced labour risks within its supply chains, Mercedes-Benz applies extensive multilingual assessments based on established ILO⁵⁶ indicators, as well as additional criteria tailored to specific supply chain context. Each supplier receives an individual risk score. If the assessment reveals one or more indicators suggesting a potential forced labour risk, targeted follow-up actions are defined to support suppliers in addressing and mitigating these risks.

Suppliers with an elevated risk profile may be required to participate in audits, training programmes, or to provide further documentation. These suppliers are subject to ongoing monitoring and may face restrictions on future business opportunities until effective corrective measures are implemented. If these risks are identified within mid- or upstream supply chains, Mercedes-Benz may require its direct suppliers to apply and cascade corresponding requirements. In cases where a supplier refuses to cooperate, fails to demonstrate progress within an agreed timeframe, or where there is reasonable evidence of involvement in state-imposed forced labour⁵⁷, Mercedes-Benz may suspend existing contracts and refrain from entering into future business relationships with the respective entity.

Achievements 2025

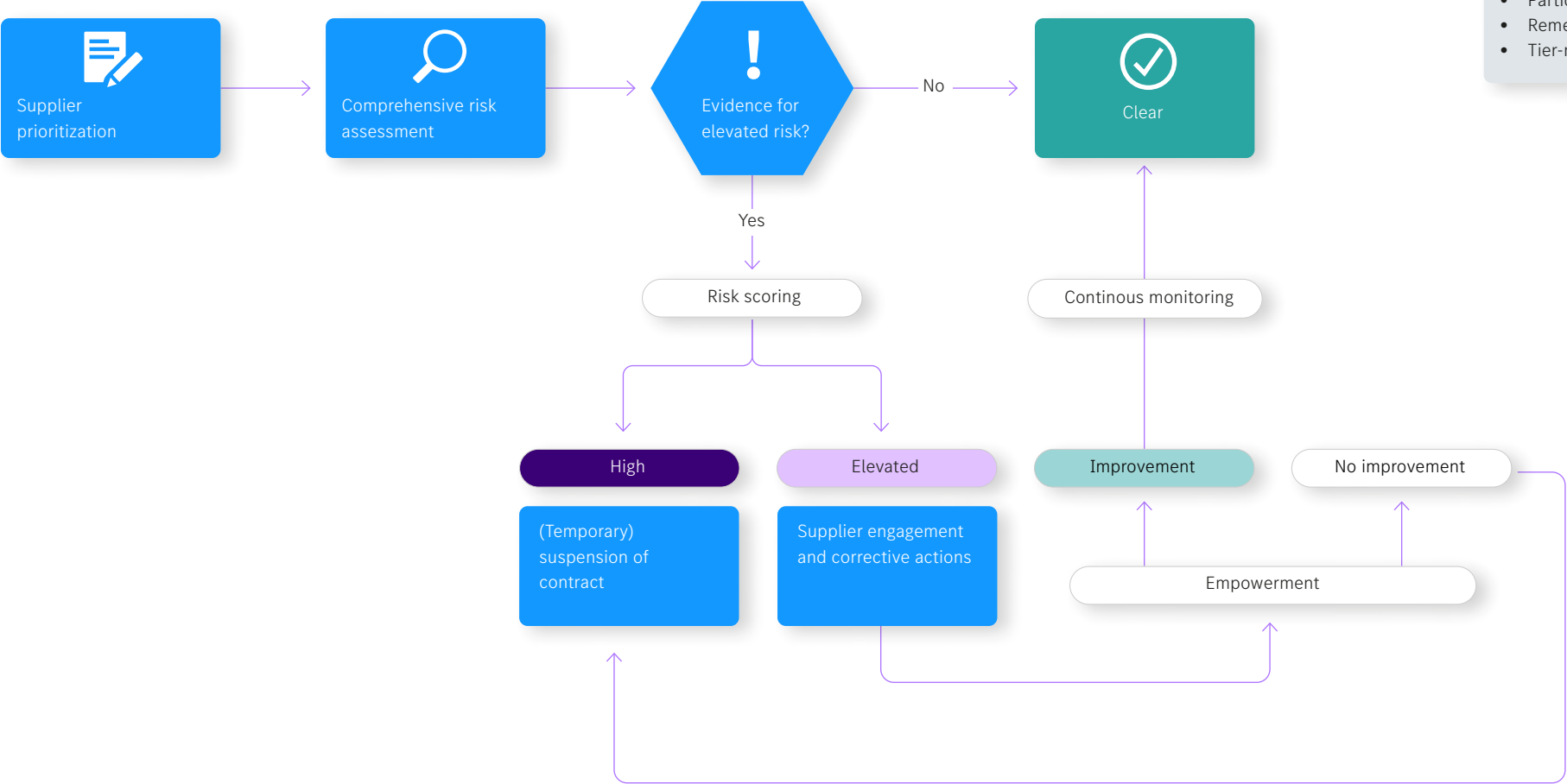
- Developed a comprehensive risk assessment methodology to identify forced labour-related risks
- Developed a strategic response framework to mitigate elevated and high forced labour risks across Mercedes-Benz’s supply chains
- Conducted in-depth risk assessment of more than 150 suppliers and sub-suppliers, with focus on battery and aluminium supply chains
- Engaged with multiple stakeholders on identification and prevention of forced labour risks within supply chains across industries

Outlook

- Continue systematic assessment and monitoring of relevant suppliers in high-risk raw material supply chains
- Further enhance pre-assessment for new suppliers prior to contract initiation
- Expand analytical capabilities by integrating additional data sources and risk indicators into assessment methodology
- Strengthen exchange on forced labour identification and prevention across multiple stakeholders, including governments, private sector and civil society

⁵⁶ ILO has identified 11 indicators of forced labour, including, among others, debt bondage, excessive overtime, withholding of wages.
⁵⁷ State-imposed forced labour presents a special form of forced labour where citizens are coerced by their government to work or provide services. In this case, activities to remediate risks or empower suppliers might be inefficient due to the support of these programmes by the government, which often comes with constraints in access for open due diligence inspections and restrictions of civil society. Therefore, in most cases, withdrawal is the only available option.

Forced Labour Risk Assessments



- Possible measures**
- Request supplier statement
 - Proof of policy and measures
 - Audit and corrective action plan
 - Participation in training
 - Remediation actions
 - Tier-n: Pass down requirements

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Conflict-Affected and High-Risk Areas

Raw materials offer potential for development and economic prosperity, yet they can also be linked to violent conflicts, particularly, if they originate from Conflict-Affected and High-Risk Areas (CAHRAs)⁵⁸. Risks linked to these areas can be manifold including but not limited to direct or indirect support to armed forces to serious abuses such as torture, forced labour, sexual violence and child labour. In line with Mercedes-Benz’s principle “empowerment before withdrawal”, refraining completely from sourcing from these areas could, however, worsen the livelihoods of people. For this reason, rigorous due diligence should remain the preferred option over de facto embargoes, wherever this is feasible.

Due to our position as a downstream actor with limited leverage in the deeper supply chain,

Mercedes-Benz regards cross-industry collaborations as vital for addressing human rights and environmental risks in the supply chain. Accordingly, Mercedes-Benz is a member of the “Responsible Minerals Initiative ([↗ RMI](#))” which is committed to supporting due diligence along the supply chains for minerals in alignment with the [↗ OECD Due Diligence Guidance](#) for Responsible Supply Chains of Minerals from CAHRAs.

One of the central programmes of the RMI is the “Responsible Minerals Assurance Process” (RMAP). RMAP uses independent third-party assessments of management systems and sourcing practices of supply chain “pinch points” such as processors, smelters or refiners (SOR). “Pinch points” are critical nodes in the supply chain because of the material transformation taking

place at this stage. Due to their position between upstream and mid-to downstream industry, they represent a suitable basis to identify the origin of raw materials before they are commingled and processed. With the help of this programme, SORs are assessed to validate conformance with RMI standards on responsible sourcing.

Conformance with RMI RMAP is a requirement for Mercedes-Benz suppliers which use tin, tantalum, tungsten, gold (3TG), mica and/or cobalt in their commodities. Besides the potential origin of these raw materials from CAHRAs, these minerals have also been chosen due to their potential of ASM-origin in light of the heightened vulnerability of artisanal and small-scale miners to severe impacts in particular in CAHRAs. The Responsible Sourcing Standards ([↗ RSS](#)) require suppliers of

commodities containing these minerals to source (whether directly and/or upstream) from SORs that have been validated against responsible sourcing standards such as the RMI RMAP or an equivalent programme. With the help of Conflict Minerals and Extended Minerals Reporting Templates (CMRT/EMRT), suppliers are required to list the SORs in their supply chain which enables a check of the conformity of the mentioned SORs.

It is planned to extend SOR sourcing requirements to battery suppliers to ensure conformity with RMI RMAP+ and RMI ESG standards. The feasibility of implementing these standards to commodities containing 3TG is also being evaluated.

⁵⁸ “Conflict-Affected and High-Risk Areas (CAHRAs) are defined as areas in a state of armed conflict or fragile post-conflict. The definition also covers areas witnessing weak or non-existent governance and security, such as failed states, and widespread and systematic violations of international law, including human rights abuses.” (European Union, Indicative, non-exhaustive list of Conflict-Affected and High-Risk Areas under Regulation (EU) 2017/821, Glossary. [↗ CAHRAs](#))

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Conflict Minerals and Extended Minerals Reporting Templates

CMRT/EMRT campaign

In 2025, Mercedes-Benz engaged an external service provider with expertise in collecting the Conflict Minerals and Extended Minerals Reporting Templates (CMRT/EMRT) which also included country-of-origin data per SOR, where available. During the campaign, suppliers were contacted repeatedly, and data was collected and reviewed over several months to support validation. The information provided was also validated against information available from the RMI such as on the audit status. In total, 61,5% of contacted suppliers responded to the CMRT request and 55,5% to the EMRT request.

Tier-1 capacity building

An important component of the campaign was strengthening suppliers’ capacity to conduct CMRT/EMRT campaigns as well as in raising awareness on heightened risks in the supply chain. A number of our tier-1 suppliers participated in a training offered by the external service provider on the implementation of CMRT/EMRT data collection as well as on the value it adds. In addition, suppliers that reported high-risk SORs

in their supply chain received guidance outlining the associated risk factors and areas of concern. Risk factors included audit status, red-flag assessments in line with OECD Due Diligence Guidance, sourcing risks related to minerals originating from CAHRAs or other areas of concern.

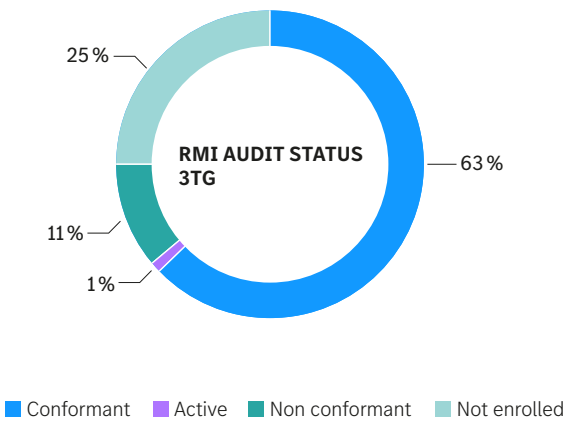
SOR identification

In total, Mercedes-Benz identified 332 3TG and 122 Mica and Cobalt SORs through the CMRT/EMRT campaign, based on information reported for 2024. Mercedes-Benz accepted company-level as well as product-specific CMRT/EMRTs. When collecting the CMRT/EMRTs in 2025, the vast majority submitted company-specific CMRT/EMRTs meaning that the information provided may encompass also SORs that are not relevant to Mercedes-Benz. Given the complexity and length of raw material supply chains, as well as the limited availability of effective traceability/chain-of-custody solutions, suppliers often face challenges in tracing material flows from the mine of origin through to Mercedes-Benz vehicles. In addition, the information may be incomplete if suppliers have not fully disclosed their supply chains.

RMI audit status⁵⁹

Reviewing the audit status of the reported 3TG SORs shows that 63% have passed the third-party audit and are conformant while approximately 25% have not yet participated.

More detailed information on audit status by mineral is provided on the following page.



Mercedes-Benz reviewed the reported CMRT/EMRT to assess whether any reported SORs present a risk of non-compliance with company requirements. If this case occurs, Mercedes-Benz expects suppliers to either (1) actively engage in mobilising the SOR to participate in audit processes and/or (2) remove the SOR from its supply chain and to communicate our requirements to their supply chain. Although the audit status is an important evaluation factor, SORs may still be rated as high-risk because the audit status alone does not exempt companies from conducting their own due diligence. Suppliers can be requested to provide evidence of implementation of requirements, such as with an updated CMRT/EMRT.

Following the campaign conducted in 2025, Mercedes-Benz approached more than 200 in-scope suppliers for taking risk mitigation measures on basis of Mercedes-Benz’s evaluation of high-risk SORs.

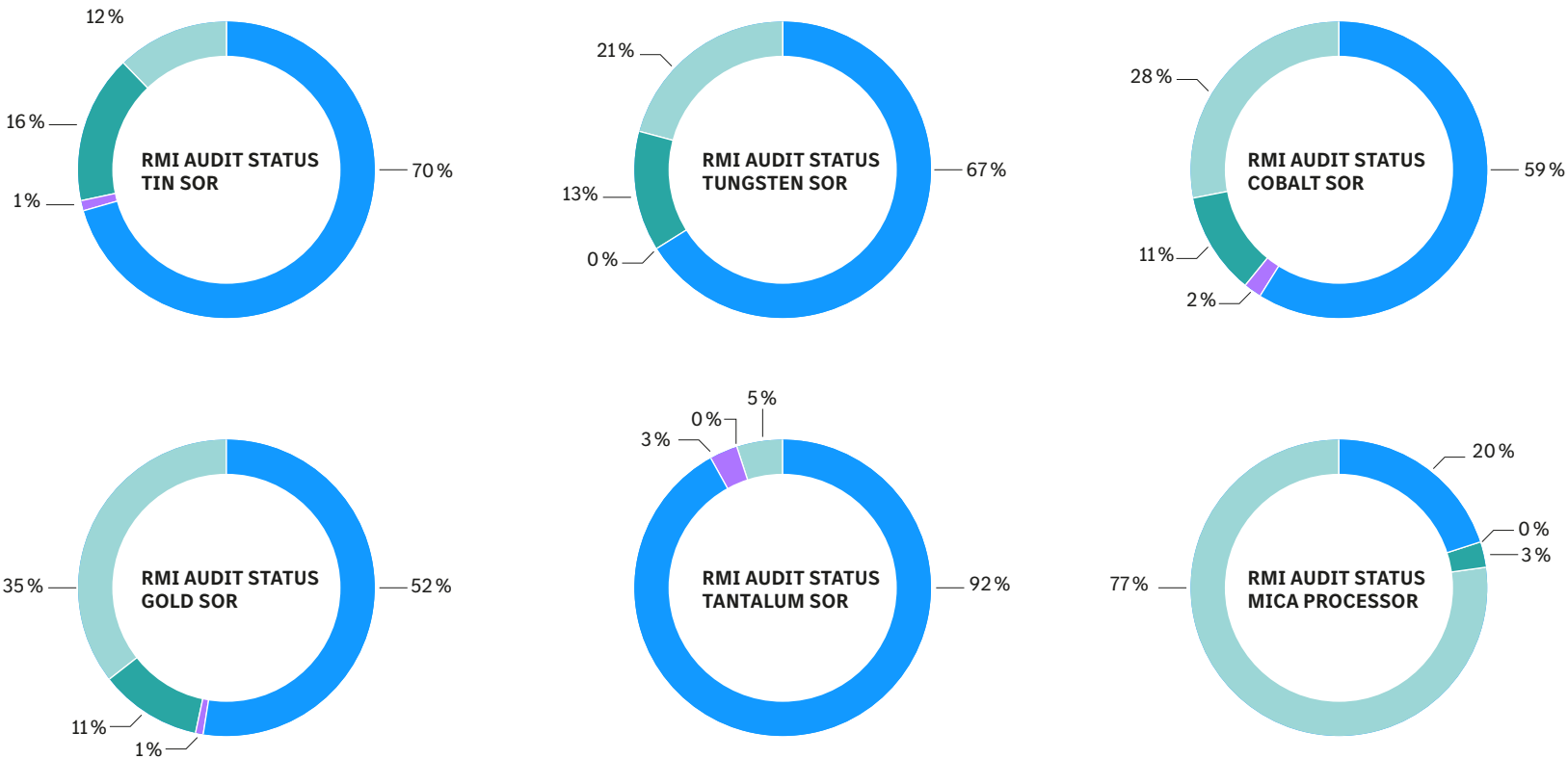
⁵⁹ **RMI Definitions:** **Conformant** = independently assessed and found conformant with the relevant RMI Due Diligence standard (RMAP DD or DAP); **Active** = engaged in the programme with a scheduled or in-progress RMI assessment but not yet conformant; **Non-Conformant** = independently assessed and found non-conformant with the relevant RMI standard; **Not enrolled** could encompass Communication Suspended – Not Interested; Communication Suspended – Temporarily Ceased Operations; Due Diligence Vetting Process; In Communication; Outreach Required; RMI Due Diligence Review – Unable to Proceed; Not Applicable (For detailed definitions, please refer to [Database Definitions](#))

RMI Audit Status of Smelters or Refiners

The following diagrams show the audit status for each of the surveyed minerals, including from **active, conformant, non-conformant, and not (yet) enrolled** SORs in the auditing process due to different reasons (see footnote for more information⁶⁰). It clearly shows that the status of audited material varies per mineral. The top three minerals with the highest number of SORs that currently do not participate in a third-party audit are mica, gold and cobalt SORs. This is why Mercedes-Benz engages in activities to mobilizing SORs for participation in RMI assessment processes. On behalf of Mercedes-Benz and other partners/customers of our external service provider, an email campaign was sent out to all SORs classified as "outreach required" and "non-conformant" to engage them in participating in a third-party audit. In addition, outreach to gold SORs has been a priority of the activities of the RMI Gold working group in which Mercedes-Benz actively participates. In the cobalt battery supply chain, the identification and empowerment of high-risk upstream actors such as SORs remain a central component (see more info on SLR programme ([→ Tier-n Due Diligence Programme](#))).

Percentages may not equal exactly 100% due to rounding of the percentages of the different categories.

ConformantActiveNon conformantNot enrolled



⁶⁰ **RMI Definitions:** **Conformant** = independently assessed and found conformant with the relevant RMI Due Diligence standard (RMAP DD or DAP); **Active** = engaged in the programme with a scheduled or in-progress RMI assessment but not yet conformant; **Non-Conformant** = independently assessed and found non-conformant with the relevant RMI standard; **Not enrolled** could encompass Communication Suspended - Not Interested; Communication Suspended - Temporarily Ceased Operations; Due Diligence Vetting Process; In Communication; Outreach Required; RMI Due Diligence Review - Unable to Proceed; Not Applicable (For detailed definitions, please refer to [Database Definitions](#))

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Countries of Origin of Smelters or Refiners

During our CMRT/EMRT campaign in 2025, suppliers were also asked to submit country-of-origin information, referring to the sourcing countries of SORs. Similar to the issue of reported SORs, the list of countries of origin may be over-inclusive as it is not limited to the Mercedes-Benz supply chain and under-inclusive if not all information is provided. In some instances, the list contains countries in which no mineral extraction takes place. Instead, it could refer to recycled material that is processed in those countries.

Results of country-of-origin inquiry of 3TG SORs

A→ Albania, Andorra, Angola, Argentina, Armenia, Australia, Austria, Azerbaijan, **B**→ Belarus, Belgium, Benin, Bermuda (UK Overseas Territory), Bolivia, Botswana, Brazil, Bulgaria, Burkina Faso, Burundi, **C**→ Cambodia, Canada, Central African Republic, Chile, China, Colombia, Congo, Cyprus, **D**→ Democratic Republic of the Congo, Djibouti, Dominica, Dominican Republic, **E**→ Ecuador, Egypt, El Salvador, Eritrea,

Estonia, Ethiopia, **F**→ Fiji, Finland, France, **G**→ Georgia, Germany, Ghana, Guatemala, Guinea, Guyana, **H**→ Honduras, Hungary, **I**→ India, Indonesia, Ireland, Israel, Italy, **J**→ Japan, Jersey, **K**→ Kazakhstan, Kenya, Korea, Kyrgyzstan, **L**→ Liberia, Liechtenstein, Lithuania, Luxembourg, **M**→ Madagascar, Malaysia, Mali, Mauritania, Mexico, Mongolia, Morocco, Mozambique, Myanmar, **N**→ Namibia, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, **O**→ Oman, **P**→ Panama, Papua New Guinea, Peru, Philippines, Poland, Portugal, **R**→ Russian Federation, Rwanda, **S**→ Saudi Arabia, Senegal, Serbia, Sierra Leone, Singapore, Slovakia, Solomon Islands, South Africa, South Sudan, Spain, Sudan, Suriname, Sweden, Switzerland, **T**→ Taiwan (China), Tajikistan, Tanzania, Thailand, Türkiye, **U**→ Uganda, United Arab Emirates, United Kingdom, United States, Uruguay, Uzbekistan, **V**→ Viet Nam, **Z**→ Zambia, Zimbabwe

Mercedes-Benz screened the countries reported against the EU CAHRAs List and reviewed the 3TG SORs for which CAHRAs countries were reported. Mercedes-Benz selected a number of 3TG SORs for outreach to validate the sourcing countries listed and to get a better understanding of their risk mitigation measures when sourcing from CAHRAs. Written responses were received, and in limited cases, SORs engaged in a bilateral exchange. In a number of cases, SORs responded that the sourcing country information was outdated or incorrect. In a few other cases, references were made to different mitigation measures in place, such as standards, traceability mechanisms or different screening methods for validating the source of the mineral.

In addition, as part of the RMI Gold Working Group, Mercedes-Benz conducts bilateral outreach to SORs to engage them in the RMI RMAP process.

Outlook

- Continue SOR outreach as part of the RMI Gold Working Group
- Engage with the RMI to exchange views on challenges of enhanced due diligence and continuous improvement
- Strengthen suppliers’ capacity-building in the industrialisation process by providing information on the doing of CMRT/EMRT collection

Conferences and Projects



Mercedes-Benz Sustainable Dialogue
“Future of Circular Economy”,
Online



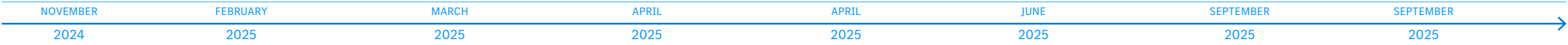
IRMA Event
Cross-Stakeholder Dialogue,
Stuttgart, Germany



OECD Forum: Responsible Mineral Supply Chains
Panel: “Responsible Sourcing, Inclusive Impact: Cross-Sector
Solutions for Gender-Responsive Due Diligence”, Paris, France



**International Forum on Sustainable
Mineral Supply Chains (SMISC)**,
Xiamen, China



Responsible Lithium Partnership
“Closing Ceremony”,
Berlin, Germany



ITA Upstream – Downstream Exchange
Munich, Germany



Webinar Speaker
“From Theory to Practice: Measuring Impact in
Raw Material Supply Chains”, Online



Responsible Mica Initiative
Community Empowerment Program,
Madagascar, Source: RMI



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Conferences and Projects



Mercedes-Benz Sustainability Dialogue
Challenges of artisanal- and small-scale mining in raw material supply chains, Stuttgart, Germany



Responsible Mica Initiative
Participation General Assembly, Paris, France, Source: RMI



IRMA-Panel:
“Responsible Mining in Africa: Expectations, Opportunities, and Safeguards in an Era of Critical Minerals Demand”, Indaba, Kapstadt

OCTOBER	OCTOBER	NOVEMBER	NOVEMBER	FEBRUARY	FEBRUARY
2025	2025	2025	2025	2026	2026

Participation at Delegation Visit
„Women in Mining“, Chile



UN Forum on Business and Human Rights
Panel: “Gender- Responsive Human Rights Due Diligence in Time of Crisis”, Genf, Switzerland



Nickel Impact Programme Indonesia
Onsite Project Visit, Weda Bay, Indonesia



SUSTAINABILITY INITIATIVES AND STANDARDS

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The following chapter provides a concise overview of key standards and initiatives in which Mercedes-Benz actively participates.

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At a Glance: How Mercedes-Benz Engages Through Its Memberships

Top 5 highlights of the 2024-2026 reporting period

- 1 — 4 Leadership Positions:** Mercedes-Benz does not settle for passive memberships but actively seeks leadership positions. Within the period since the last raw material report, these include IRMA, RMI, ASI and TSM.
- 2 — 3 Standard Revisions:** Our aspiration is to work with standards as instruments that represent the best possible practice. Mercedes-Benz has therefore contributed to the standard revision processes at IRMA, CMSI and ASI and strengthened aspects such as environmental monitoring, Free, Prior, and Informed Consent (FPIC), Chain of Custody and Community Engagement.
- 3 — 2 New Memberships:** Mercedes-Benz joined the European Partnership for Responsible Minerals to increase its engagement on Artisanal and Small-Scale Mining (ASM) as one significant source of human rights and environment-related risks across materials ([→ ASM](#)). In addition, Mercedes-Benz joined the Global Platform for Sustainable Natural Rubber (GPSNR) to contribute to collaborative, measurable progress towards more sustainable natural rubber supply chains.
- 4 — 13 Mainstreaming Standard Systems:** Successful piloting and implementation of the new RMI Facility and SCDDP (RMAP+) standard with 13 refiners, among them, 3 from Indonesia. This was made possible with funding from Mercedes-Benz.
- 5 — 1 Common Tools:** Mercedes-Benz contributed to the upcoming SAQ 6.0, which is a suitable tool to understand supplier readiness in risk analysis and will help comply with the upcoming EU battery regulation. As a result, this will reduce bureaucracy in the automotive industry, increasing capacity for impact-focused engagement.

Top priority issues going forward

- Mercedes-Benz believes in assurance through a network of sustainability touchpoints along the supply chain, including performance audits at mine and SOR sites with additional due diligence components. Mercedes-Benz will therefore integrate the new **RMI RMAP+ and RMI ESG standards** into a **sourcing requirement** for batteries and evaluate its expansion to 3TG containing commodities
- Voluntary standards must effectively address human rights and environmental risks. To determine whether standards are indeed effective requires the development of adequate M&E systems, which are largely absent today. Mercedes-Benz will drive the necessary developments and **fund a pilot evaluation at IRMA**
- Across standard systems, Mercedes-Benz will work to improve supply chain **transparency and traceability**. One example of particular relevance is the Mica supply chain, where Mercedes-Benz seeks to connect project activities with actual business relationships
- Through EPRM, Mercedes-Benz seeks to further build its network, knowledge and raise awareness of **ASM as one significant driver of human rights and environment-related risk** in automotive supply chains. One outcome will be a dedicated **training offer** for our suppliers

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Our Engagement for Standards

As part of its due diligence, Mercedes-Benz regularly analyses environmental and human rights risks along the supply chain. In most cases, the prioritised risks are located at the stage of raw material extraction.

As an automotive manufacturer, Mercedes-Benz operates several processing stages removed from these activities. As a result, risks at the upstream level can often only be addressed indirectly. Standards therefore represent one of the most important tools available. Through on-site audits, they help identify risks, increase transparency, and provide a foundation for addressing and mitigating adverse impacts, bringing together relevant stakeholders from government, industry and civil society.

Effective Standards

For standards in raw material extraction to enable effective and traceable risk mitigation, they must meet defined quality criteria. These criteria underpin inclusive, transparent, and high performing voluntary standard systems. Mercedes-Benz remains committed to advocating for these elements and has published an updated Guidance for Suppliers: Navigating Quality and Effectiveness of Mining and Supply Chain Standards ([↗ Guidance: Mining and Supply Chain Standards | MBSP 2.0](#)).

Both the publication itself and extensive engagement with standard systems based on the first edition of the guidance have contributed to positive developments. The second iteration demonstrates significant progress across most areas, with a particular focus on formal governance and procedural requirements. While this progress is encouraging, the next critical step is to assess how these improvements translate into more effective risk mitigation in practice.

Mercedes-Benz is actively involved in several standard initiatives, in some cases in leadership roles. These include the Initiative for Responsible Mining Assurance (IRMA), Towards Sustainable Mining (TSM), the Aluminium Stewardship Initiative (ASI) and the Responsible Minerals Initiative (RMI) (in which Mercedes-Benz held a leadership role until July 2025). Our objective is to further develop these standards into effective instruments for identifying and mitigating human rights and environmental risks.

Mainstreaming Voluntary Sustainability Standards

Standards can only contribute to risk mitigation where they are applied. To date, existing systems have not yet achieved sufficient market penetration, particularly in high-risk geographies and locations.

Achieving meaningful market penetration of effective standards in the medium term requires adequate demand. To this end, Mercedes-Benz has introduced procurement requirements for selected focus components ([→ see raw material profiles](#)). These include batteries, electric motors, and directly procured materials such as platinum group metals. The required standard systems and their respective levels of ambition are derived from the results of the human rights and environmental risk analysis.

Sustainability is an integral part of Mercedes-Benz's business strategy and informs decision-making across the organization. Through **active participation and leadership in relevant initiatives**, Mercedes-Benz is committed to setting industry-wide standards that drive transformation towards a more sustainable economy.

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Overview | Mercedes-Benz Participation in Initiatives and Standards



Responsible Supply Chain Initiative

Through its membership, Mercedes-Benz systematically identifies social and environmental risks at supplier sites using standardised assessments, implements corrective action plans, and works to mitigate risks while establishing sustainable preventive structures. ([↗ Responsible Supply Chain Initiative](#))



Drive Sustainability

This initiative is a strategic partnership among leading automotive manufacturers, including Mercedes-Benz, aimed at improving and strengthening sustainability across the automotive supply chain. ([↗ Drive Sustainability](#))



Sector Dialogue Automotive Industry

Mercedes-Benz is a founding member of this multi-stakeholder initiative, supporting the implementation of the UN Guiding Principles on Business and Human Rights and actively participating in working groups to address specifically identified high-risk issues across the automotive value chain. ([↗ Sector Dialogue Automotive Industry](#))



Initiative for Responsible Mining

Since 2021, Mercedes-Benz has been among the first automotive manufacturers to join IRMA and, as a purchaser of mining materials, supports concrete measures to advance responsible mining and transparency in supply chains. ([↗ Initiative for Responsible Mining](#))



Aluminium Stewardship Initiative

Mercedes-Benz joined the initiative in 2018 and with its participation supports an independent certification system that addresses key environmental, social and governance impacts across the entire aluminium value chain. ([↗ Aluminium Stewardship Initiative](#))



Responsible Minerals Initiative

Since 2018, Mercedes-Benz has been a member of the RMI. Mercedes-Benz applies RMI instruments in its sourcing of 3TG/Mica/Cobalt and battery raw materials. Mercedes-Benz further engages actively within RMI in several work formats, amongst others in the Gold Working Group. ([↗ Responsible Minerals Initiative](#))



European Partnership for Responsible Minerals

In 2025, Mercedes-Benz joined the EPRM to support the improvement of conditions in ASM communities in high risk areas and to strengthen responsible mining practices. Through this engagement, the initiative supports a closer linkage between responsible production and responsible sourcing. ([↗ European Partnership for Responsible Minerals](#))



Towards Sustainable Mining

In 2024, Mercedes-Benz became one of the first automotive manufacturers to join the TSM, with a focus on environmental stewardship, community engagement, and occupational health and safety across its mining-related supply chains. ([↗ Towards Sustainable Mining](#))



Responsible Mica Initiative

Since 2020, Mercedes-Benz has been a member of the initiative, supporting fair working conditions and the elimination of unacceptable labour practices, including child labour. The company actively participates in working groups on traceability, standards, community empowerment, and living wages. ([↗ Responsible Mica Initiative](#))



Responsible Steel

Mercedes-Benz is a member of the Responsible Steel Initiative and contributes to the development of a certifiable sustainability standard aimed at ensuring environmentally and socially responsible steel production across the entire value chain. ([↗ Responsible Steel](#))



Global Platform for Sustainable Rubber

Mercedes-Benz joined the Global Platform for Sustainable Natural Rubber (GPSNR) in 2026 to contribute to collaborative, measurable progress towards more sustainable natural rubber supply chains. ([↗ Global Platform for Sustainable Rubber](#))

RAW MATERIAL ASSESSMENT

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Human rights and environmental risks are complex, ever-changing and shaped by multiple, interrelated factors. From this point of departure, the task is to define an appropriate risk mitigation strategy in line with corporate responsibility. Mercedes-Benz applies Theories of Change to demonstrate how identified risks are addressed through concrete actions over time.

The following pages provide insights into the underlying methodology of our raw material assessments that lead to the definition of a risk mitigation strategy, its application to the identified raw material risks, and the approach to effectiveness monitoring.



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From Assessment to Effectiveness Monitoring

Executive Summary

The aspiration is to deliver and to report on what Mercedes-Benz implements with a high degree of transparency and accountability. Two years ago, KPI based monitoring was introduced for a select-ed number of workstreams to improve internal steering and to highlight the measurable impact of these activities.

Examples of monitored outputs and outcomes include

- **6 out of 8 voluntary sustainability standard initiatives** subject to evaluation in the 2025 standard guidance ([↗Guidance: Mining and Supply Chain Standards | MBSP 2.0](#)) improved their governance and processes in alignment with quality criteria for effective standards. This drives impact through industry-wide solutions and broadens the scope of standards Mercedes-Benz can apply.
- **Successfully negotiated IRMA sourcing requirements into contracts covering 100% of in-scope battery suppliers**, sending a clear sign to the mining industry that there is a de-mand for responsibly produced raw materials.
- In the battery supply chain, between the first and the consecu-tive re-audit of Mercedes-Benz’s own audit programme, **12 out of 12 sites showed a stronger performance** compared to the previous audit. On average, performance increased by approx-imately 100%. Individual improvements range from 10–200%.

This indicates the effectiveness of Corrective Action Plans and training Mercedes-Benz offers alongside audits.

Key learnings

While our direct business partners remain the focus of our activ-ities, anchoring sustainability requirements such as IRMA in the deeper supply chain requires significant and continuous efforts. Increasingly, success is determined by joint conversations be-tween OEMs, direct suppliers as well as other actors of the entire supply chain.

Audits are vital to addressing site performance, but current sys-tems are limited in assessing longer-term effectiveness beyond audit cycles (e.g. conflict reconciliation, biodiversity, likelihood of accidents). Understanding the long-term effects of standards be-yond audits will be essential to developing this crucial instrument to its full potential.

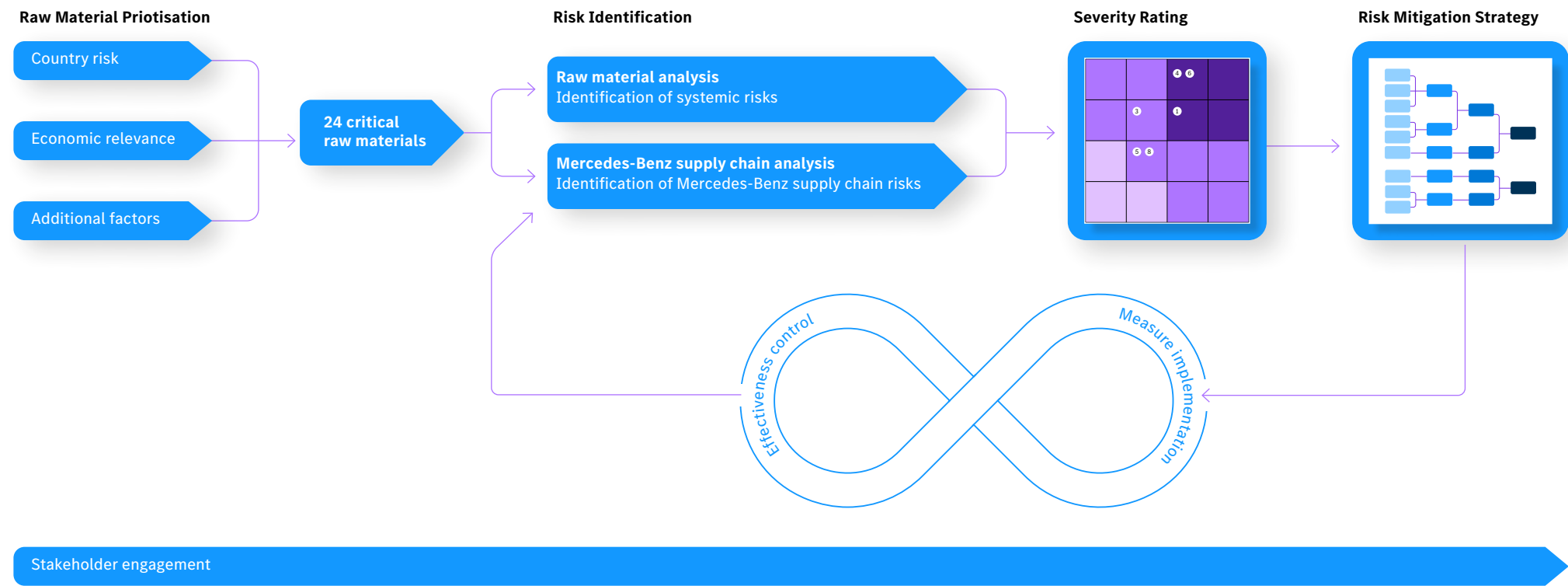
Outcomes are hardly ever final. In the complex environment Mercedes-Benz operates in, many activities are ongoing and will remain so. Continuously raising ambition levels therefore remains challenging to report on.

Outlook

- **Development of Monitoring and Evaluation (M&E) system**
Building on existing experience, Mercedes-Benz aims to further develop a comprehensive monitoring and evaluation framework to assess the effectiveness of current and future measures in a more systematic and comparable manner.
- **Data collection**
In our first round of data collection, indicators were largely based on available internal and external data sources. Going forward, Mercedes-Benz aims at diversifying our set of indica-tors, including qualitative data such as stakeholder feedback.
- **On-the-ground evaluation**
Beyond monitoring progress, Mercedes-Benz plans to pilot effectiveness evaluations focused on salient risk areas through stakeholder and rights holder consultations. This approach is intended to be tested through a dedicated evaluation project in cooperation with IRMA.

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Methodology

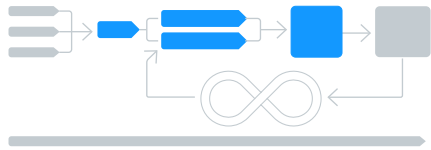


Essential elements of the Mercedes-Benz assessments include an in-depth analysis of raw material specific risks and supply chains, as well as the involvement of direct suppliers and relevant stakeholders, including affected rights holders and civil society.

Based on the results of the risk analysis and risk prioritisation, a raw material specific Risk Mitigation Strategy is established, which helps identify appropriate measures and serves as a basis for effectiveness control.

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Identification of Systemic Risks and Mercedes-Benz Supply Chain Risks



To design targeted measures to prevent or mitigate adverse human rights impacts, Mercedes-Benz assesses all 24 critical raw materials along nine salient risk areas. These risk areas are derived from our Responsible Sourcing Standards, considering the international frameworks relevant for raw material supply chains, such as the OECD Handbook on Environmental Due Diligence in Mineral Supply Chains.

The assessment begins with an analysis of systemic risks inherent to the extraction of the respective raw material. This part is based on a technical understanding of production processes, raw material production and trade data as analysed by the Raw Material Outlook – a Drive Sustainability project initiated by Mercedes-Benz in 2020. Building on these insights, the analysis of systemic risks focuses on the salient risk areas ([→ see definitions](#)), identifying potential adverse impacts on human rights and the environment along the specific raw material supply chain.

The assessment of systemic risks is complemented by supply chain-specific information from Mercedes-Benz, including reported grievances and media screenings conducted using a certified IT tool to identify potential human rights or environmental incidents.

In addition, direct suppliers of focus parts relevant to a specific critical raw material are subject to an in-depth assessment. This assessment examines the maturity of their due diligence management system, using the Mercedes-Benz Due Diligence Questionnaire ([→ DDQ](#)) as a key evaluation tool.

In the following, the most salient risks are identified and prioritised based on a severity assessment in line with the UN Guiding Principles (UNGPs). In this step, risks are prioritised with the highest relevance by rating the severity of the risk based on scale (seriousness of negative impact) and scope (number of affected rights holders) ([↗ website for definitions and methodology](#)).

To guide the selection of appropriate risk mitigation measures, Mercedes-Benz additionally assesses:

- **Contribution to the risk**
To what extent, if any, has Mercedes-Benz caused, contributed to, or is directly linked to the identified risks?
- **Type of risk**
Represent the identified risks, potential risks, or have adverse impacts already occurred?
- **Leverage**
To what extent can Mercedes-Benz influence the actors involved in causing or contributing to a risk?

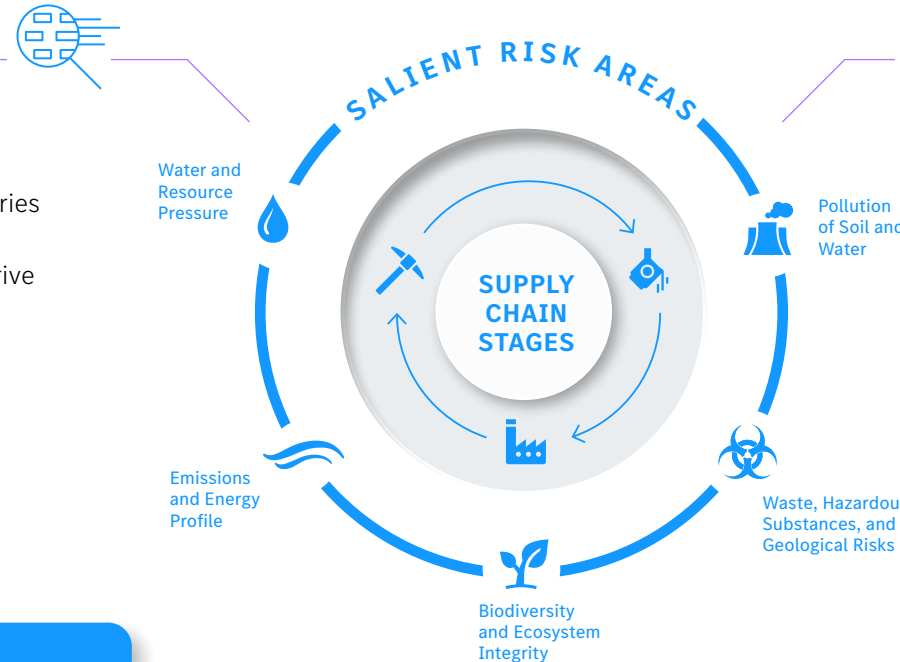
Environmental Due Diligence Risk Analysis

Systemic Risk Analysis

- Uses (generic) background life cycle inventory data (ecoinvent v.3.11/3.12)
- Quantifies scale of environmental impacts per supply chain stage for various (environmental) impact categories
- Uses [Environmental Footprint 3.1](#) method, impact categories/indicators and normalisation factors to derive life cycle impact assessment based risk scores⁶¹
- Identifies hotspots in production processes (e.g., refining and chemical conversion)
- Enables cross-material comparability and objective scoring
- Foundation for severity assessment in risk matrix

Goal:

Identify the potential environmental impact of each raw material and its supply chain stages.



Mercedes-Benz Specific Risk Analysis

- Uses supplier geolocation data, verified in Mercedes-Benz traceability systems (tier-1 to tier-n)
- Integrates exact supplier locations (GIS) and environmental context
- Assesses regional conditions (e.g. water stress, protected areas and biodiversity hotspots etc.)
- Identifies where environmental risks materialize
- Enables scope and likelihood assessment

Goal:

Identify real exposure in Mercedes-Benz supply chains and local environmental risks at supplier locations.

⁶¹ European Commission, 2023, doi:10.2760/798894

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Environmental Due Diligence Risk Analysis

Systemic Risk Analysis

Method components

Note: The methodology follows a supply chain-based approach aligned with the EU Battery Regulation, covering key upstream stages of a generic battery supply chain:

1. Data research in the ecoinvent database v3.11/3.12 to model raw material supply chains focusing on mining and primary processing stages
2. Impact assessment per raw material process stage using the Environmental Footprint method (EF v3.1), including normalization of different environmental impact indicators⁶²
3. Translation of normalised impact scores into (qualitative) risk scores
4. Identification of risk hotspots (materials, processes, etc.), key drivers and root causes by means of contribution analysis

Strengths

- ✓ Science-based and transparently documented life cycle inventory data and system modelling
- ✓ Quantitative severity (Scale) and cross-material and impact category comparability
- ✓ Identifies process-level hotspots
- ✓ Transparent basis for risk prioritisation

Limitations

- ✗ Limited regionalization and production technology representativeness
- ✗ No visibility into supplier-specific practices

Why systemic risk analysis is necessary but not sufficient:

The systemic assessment identifies what environmental impacts are potentially generated and which processes drive them. The Mercedes-Benz-specific regional analysis then determines where those impacts pose the highest risk and how likely they are to materialise.

Why Mercedes-Benz-specific risk analysis is necessary but not sufficient:

The Mercedes-Benz-specific analysis shows where environmental risks occur in our supply chain and how likely they are. The systemic analysis provides the intensity and technical drivers of impacts. Only the combination delivers a complete and actionable environmental risk picture.

Mercedes-Benz Specific Risk Analysis

Method components

1. High-Risk Region Screening: Supplier locations (tier-1 to tier-n) are mapped and evaluated using key geospatial indicators, including water stress, biodiversity sensitivity, deforestation risk, natural hazards and local pollution. Locations are grouped by supply chain stage (e.g. mining, refining) to ensure comparability
2. Scope Assessment: Geospatial indicators are used to assess the geographic reach (scope) of environmental impacts across the supply chain
3. Regional Hotspot Identification: Supplier locations are overlaid with environmental and regulatory data to identify region-specific hotspots where high-impact processes coincide with sensitive ecosystems or elevated regulatory risk

Strengths

- ✓ Reflects real Mercedes-Benz supply chains
- ✓ Captures regional scope of impacts
- ✓ Identifies local hotspots
- ✓ Enables risk prioritization by location

Limitations

- ✗ Requires robust supply chain transparency
- ✗ Information may be incomplete for tier-n suppliers

⁶² Normalisation relates the results of different impact categories to a common reference value (e.g. global emissions), making them comparable. This enables the derivation of dimensionless indicators for risk scoring. (European Commission, 2023, doi:10.2760/798894)

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How the Hybrid Approach Works

Method components

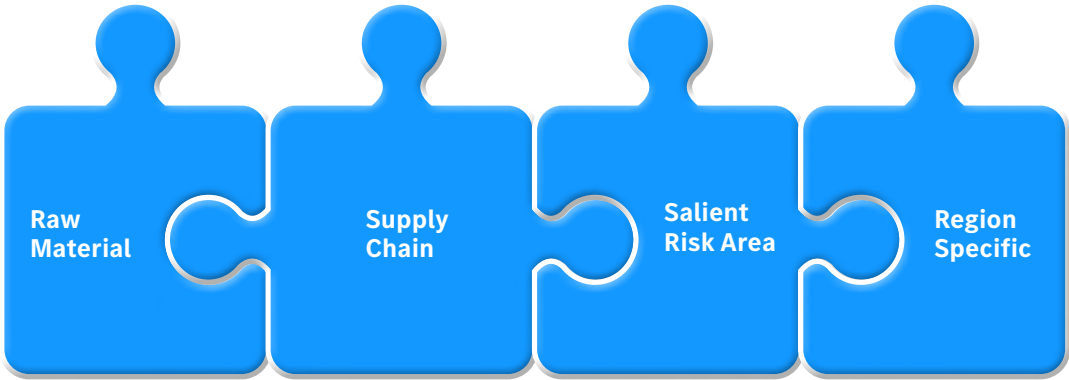
- Step 1 — Quantify Scale (Intensity of Impact)
Based on Ecoinvent + EF 3.1 categories, Mercedes-Benz measures the potential environmental burden per process step and raw material. This identifies which processes generate the highest potential impacts.
- Step 2 — Determine Scope (Geographic Reach of Impact)
Using actual supplier locations, Mercedes-Benz evaluates how many ecosystems/regions are affected, whether suppliers operate in water-scarce or biodiversity-sensitive areas, whether impacts may extend beyond the local site.

Logic

Environmental Risk = f(Scale + Scope)
Scale = How intensive the potential environmental impact is (systemic risk analysis)
Scope = How far-reaching the impact is geographically (Mercedes-Benz specific supply chain risk analysis)
Only the combination reflects both potential impact and real supply chain exposure.

Benefits of the combined assessment

- Systemic analysis explains relevant environmental impacts, while Mercedes-Benz-specific analysis shows where these impacts become critical and how likely they are to occur.
- The combined approach highlights locations where high-impact processes overlap with sensitive ecosystems, water stress or weak governance.



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Battery Regulation Relevance and Supply Chain Stages

Battery regulation relevance

To meet the due diligence requirements of the EU Battery Regulation (EU) 2023/1542, Mercedes-Benz applies a structured, risk-based environmental analysis for battery raw materials, following a supply chain-based approach aligned with the generic battery supply chain.

The analysis starts with a systemic risk assessment for lithium, nickel, cobalt and natural graphite, focusing on key upstream

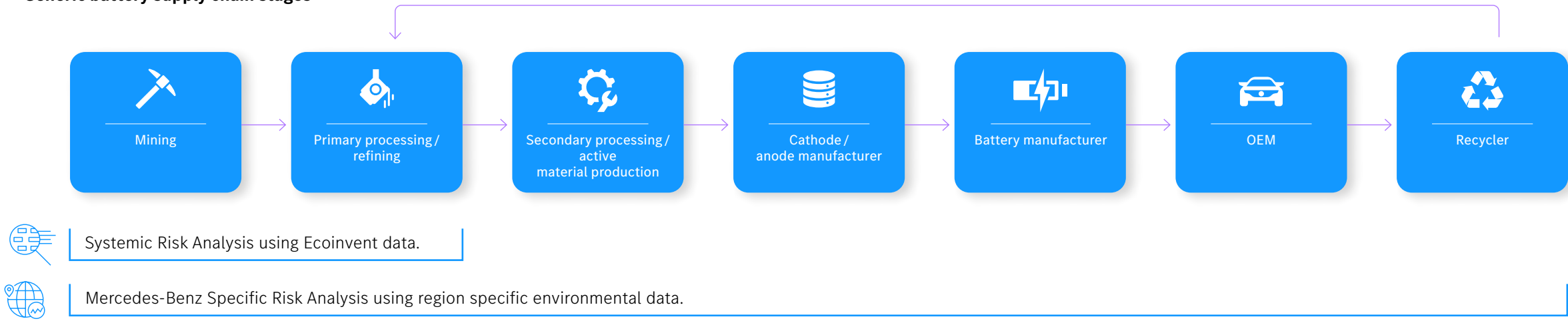
stages – particularly mining and primary processing, where robust and comparable datasets are available across the raw materials in scope. Environmental impacts are assessed per 1kg of raw material, enabling cross-material comparability and consistent evaluation across the supply chain stages in scope.

The systemic assessment is complemented by a Mercedes-Benz-specific supply chain analysis, which integrates actual supplier

information and site-specific geodata. This embedded regional assessment translates systemic risks into concrete, location-specific risks by mapping supplier locations across tier-1 to tier-n and grouping them by supply chain stage.

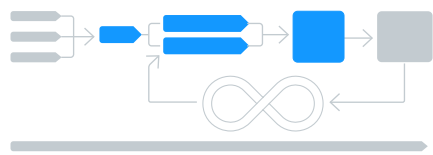
The overview of generic supply chain stages illustrates which data sources are used at each stage of the supply chain and ensures transparency on how different datasets contribute to the assessment of raw material risks.

Generic battery supply chain stages



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Salient Risk Areas



Mercedes-Benz has published its commitment to international human rights conventions in its [Principles of Social Responsibility and Human Rights](#). The following salient risk areas provide the framework for the subsequent analysis of potential negative impacts on human rights in Mercedes-Benz's supply chains and are aligned with the aforementioned international human rights conventions.

- [Working Conditions, Including Occupational Health and Safety](#)
- [Child Labour](#)
- [Modern Slavery, Including Forced Labour](#)
- [Community and Indigenous Rights](#)
- [Excessive Violence by Private and Public Security Forces](#)
- [Environmental Risks with Impact on Human Rights](#)
- [Business Conduct in CAHRAs](#)
- [Serious Human Rights Abuses](#)
- [Emissions and Energy Profiles](#)
- [Water and Resource Pressure](#)
- [Pollution of Soil and Water](#)
- [Biodiversity and Ecosystem Integrity](#)
- [Waste, Hazardous Substances, and Geological Risks](#)

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Working Conditions, Including Occupational Health and Safety

Risk Area	Working conditions, including occupational health and safety (OHS)
Definition	Working conditions with (potential) negative impacts on the physical and mental health of workers.
Examples	• Risk of exposure to hazardous substances • Strenuous labour, incl. physically demanding work, extensive work hours and challenging accommodation • Mentally challenging conditions, incl. stress, harassment or violence • General absence of adequate Personal Protective Equipment (PPE) in a particular area or in a particular form of production • Absence of adequate knowledge or training in the handling of hazardous substances • Absence of due diligence processes to comply with governmental OHS regulations or respective enforcement • Risk of discrimination, incl. unequal treatment in hiring, wages or promotion • Restrictions on trade union rights, incl. limitations on freedom of association or collective bargaining

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Child Labour

Risk Area	Child labour
Definition	Illegal or exploitative employment of children, (potentially) depriving children of their childhood and education.
Examples	- Forms of work that are mentally, physically, socially or morally dangerous and harmful to children and can result in lasting physical and psychological damage - Forms of work that prevent children from receiving education - The minimum age for work depends on the type of work. The general minimum age is the age of completion of compulsory schooling, which is 15. Light work may be undertaken from the age of 13, and hazardous work from the age of 18. The minimum age for developing countries is lower, namely 14, 12 and 16, respectively - Hazardous work constitutes work that “is likely to jeopardise the health, safety or morals of young persons.” Due to its nature, mining would be classified as such In particular, the worst forms of child labour include: - All forms of child slavery, including child trafficking and forced labour, as well as recruitment for armed conflict - Child prostitution or pornography - Use of children for illicit activities, including drug trafficking - Any work that is likely to harm a child’s health, safety or morals

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Modern Slavery, Including Forced Labour

Risk Area	Modern slavery, including forced labour
Definition	(Potential) exploitation of workers who cannot refuse or leave due to violence or threats.
Examples	- Forms of coercion may include the use of violence or intimidation, withholding of wages or expenses or the imposition of fees as part of the hiring process. It may also consist of more subtle means, such as “manipulated debt, retention of identity papers or threats of denunciation to immigration authorities” In particular, modern slavery includes: - Forced labour, which is work that is “performed involuntarily and under the menace of any penalty” - Debt bondage - Other slavery and slavery like practices - Human trafficking

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Community and Indigenous Peoples’ Rights

Risk Area	Community and indigenous rights
Definition	(Potential) adverse impacts on the rights and livelihoods of affected local and Indigenous communities.
Examples	• Risk of exposure to hazardous substances due to proximity to mining activity • Impact on communities’ livelihoods through noise, water, or air pollution • Risk of involuntary displacement of communities due to adverse impacts on their rights and livelihoods • Infringement of land rights under customary law resulting in adverse impacts on livelihoods • Infringement of Indigenous Peoples’ rights to land, e.g. regarding land used for agriculture, through dispossession

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Excessive Violence by Private and Public Security Forces

Risk Area	Excessive violence by private and public security forces
Definition	(Potential) human rights abuses committed by private and public security forces to which a company can become complicit.
Examples	- Absence of security forces training to ensure integrity and compliance with human rights - Absence of monitoring and complaint mechanisms In particular, the human rights abuses committed by private and public security forces can include: - Torture - Compulsory labour - Child labour - Other serious human rights violations - War crimes, serious violations of international humanitarian law, crimes against humanity or genocide

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Environmental Risks With Impact on Human Rights

Risk Area	Environmental risks with impact on human rights
Definition	Adverse impacts on the environment, which (potentially) affect the enjoyment of human rights ⁶³ .
Examples	• Potential noise, water, soil or air pollution affecting the state of the environment and biodiversity with consequences for the rights to food, water and health on a local level, as well as on a larger scale, e.g. through disruption of food chains due to the pollution, e.g. of rivers and their inhabiting fish species, which communities downstream may also rely on for their livelihoods • Poisoned food and water supply due to contamination • Air pollution through dust and gases • Deforestation • Harassment, intimidation and killing of human rights and environmental defenders

⁶³ The existing risk framework was expanded to include five additional environmental risk fields, further differentiated into distinct salient risk areas that reflect the diversity and complexity of environmental impacts. This expanded structure is aligned with the OECD Handbook for Environmental Due Diligence, the EU Battery Regulation, and the Corporate Sustainability Reporting Directive (CSRD)

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Business Conduct in Conflict-Affected and High-Risk Areas

Risk Area	Business Conduct in Conflict-Affected and High-Risk Areas (CAHRAs)
Definition	(Potential) adverse impacts of a company’s operation, contributing to conflict, which result from a company’s own activities or its relationships with third parties including suppliers.
Examples	• Serious abuses: any forms of torture (...), any forms of forced and compulsory labour; the worst forms of child labour; other gross human rights violations (e.g. sexual violence); war crimes • Direct or indirect support to non-state armed groups (e.g. involvement in formal/informal business conduct) • Direct or indirect support to public and private security forces acting outside of a mandate to maintain the rule of law, including safeguarding human rights (...) • Financing conflict, fuelling, facilitating or exacerbating conditions of conflict through bribery, fraudulent misrepresentation of the origin of minerals, money laundering, payment of taxes and royalties to non-government agencies • CAHRAs (OECD): Conflict-Affected and High-Risk Areas are identified by the presence of armed conflict, widespread violence or other risks of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterised by widespread human rights abuses and violations of national or international law

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Serious Human Rights Abuses

Risk Area	Serious human rights abuses
Definition	The most serious violations of human rights in which a company can (potentially) become complicit.
Examples	Serious human rights abuses may include: • War Crimes: such as unlawful executions, torture or inhuman treatment, sexual violence or injuries, arbitrary detention, etc. • Genocide: including acts intended to destroy a national, ethnic, racial, or religious group, such as killing, causing serious harm, forcibly transferring children, etc. • Crimes against humanity: including widespread or systematic attacks on civilians through murder, enslavement, forced displacement, torture, sexual violence, persecution, enforced disappearances, etc. • Others (i.e. all forms of racism, racial discrimination, xenophobia, poverty, hunger and other denials of economic, social and cultural rights, discrimination against women, etc.) Please note: These examples are not exhaustive but illustrate the types of violations that fall under international definitions of serious human rights abuses.

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Emissions and Energy Profiles

Salient Risk Areas	GHG Emissions	Local Air Emissions	Energy Intensity
Definition	GHG emissions include greenhouse gases such as carbon dioxide (CO ₂), methane (CH ₄) and nitrous oxide (N ₂ O), which are generated primarily from energy use, industrial processes and raw material extraction. These emissions contribute to climate change and are subject to international reporting, reduction and mitigation requirements.	Local air emissions include pollutants such as sulphur dioxide (SO ₂), nitrogen oxides (NO _x), particulate matter (PM) and volatile organic compounds (VOC), which are released from industrial processes and combustion activities. These pollutants affect air quality, ecosystems and human health.	Energy intensity refers to the amount of energy consumed per unit of production (e.g. gigajoules per tonne) and the mix of primary energy sources (fossil, renewable, etc.). It is a key indicator for resource efficiency and climate impact.

Disclaimer: The existing risk framework was expanded to include five additional environmental risk fields, further differentiated into distinct salient risk areas that reflect the diversity and complexity of environmental impacts. This expanded structure is aligned with the OECD Handbook for Environmental Due Diligence, the EU Battery Regulation, and the Corporate Sustainability Reporting Directive (CSRD). The assessment has commenced with the battery-relevant raw materials lithium, cobalt, nickel, and natural graphite, and is currently being extended to iron ore/steel and additional material groups.

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Water and Resource Pressure

Salient Risk Areas	Water Consumption	Water Stress
Definition	Water consumption refers to the total amount of water withdrawn and used throughout industrial processes, including extraction, processing, cooling, and cleaning.	Water stress describes situations where the demand for water exceeds available renewable water resources or where water quality is significantly degraded.

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Pollution of Soil and Water

Salient Risk Areas	Water Pollution	Soil Contamination
Definition	Water pollution refers to the contamination of surface and groundwater through chemical, biological or physical substances resulting from industrial discharge, wastewater, spills or im-proper waste management. It negatively impacts ecosystems, drinking water quality.	Soil contamination is caused by the accumulation of hazardous substances such as heavy metals, hydrocarbons or persistent chemicals originating from industrial operations, accidents or waste mismanagement. It can severely impact soil fertility, groundwater quality, biodiversity, and human health.

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Biodiversity and Ecosystem Integrity

Salient Risk Areas	Land Use and Deforestation	Biodiversity (Species Diversity)
Definition	Land use and deforestation include the conversion of natural habitats into agricultural, industrial or urban areas. These changes result in habitat loss, biodiversity decline and increased greenhouse gas emissions (GHG).	Biodiversity refers to the diversity of species, genetic variation and ecosystems. Biodiversity loss is considered one of the most critical global environmental challenges as it undermines ecosystem resilience and key ecosystem services such as pollination, water purification and climate regulation.

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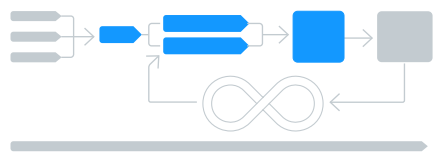
Waste, Hazardous Substances, and Geological Risks

Salient Risk Areas	Hazardous Substances	Waste and Residues	Plant Safety and Geological Risks
Definition	Hazardous substances include chemical or mineral materials that pose toxic, corrosive, explosive or environmentally hazardous risks. Failure to ensure safe handling, transport or disposal can lead to severe health impacts and environmental contamination.	Waste and residues arise from extraction, processing and industrial operations and may include hazardous or non-hazardous materials. Proper collection, treatment and disposal are crucial to prevent pollution and comply with regulations.	Plant and geological risk management includes preventing accidents and structural failures in industrial facilities and tailings storage sites. It covers geotechnical stability, seismic risks, landslides and geochemical contamination. Failure of such systems can cause severe environmental and human harm.

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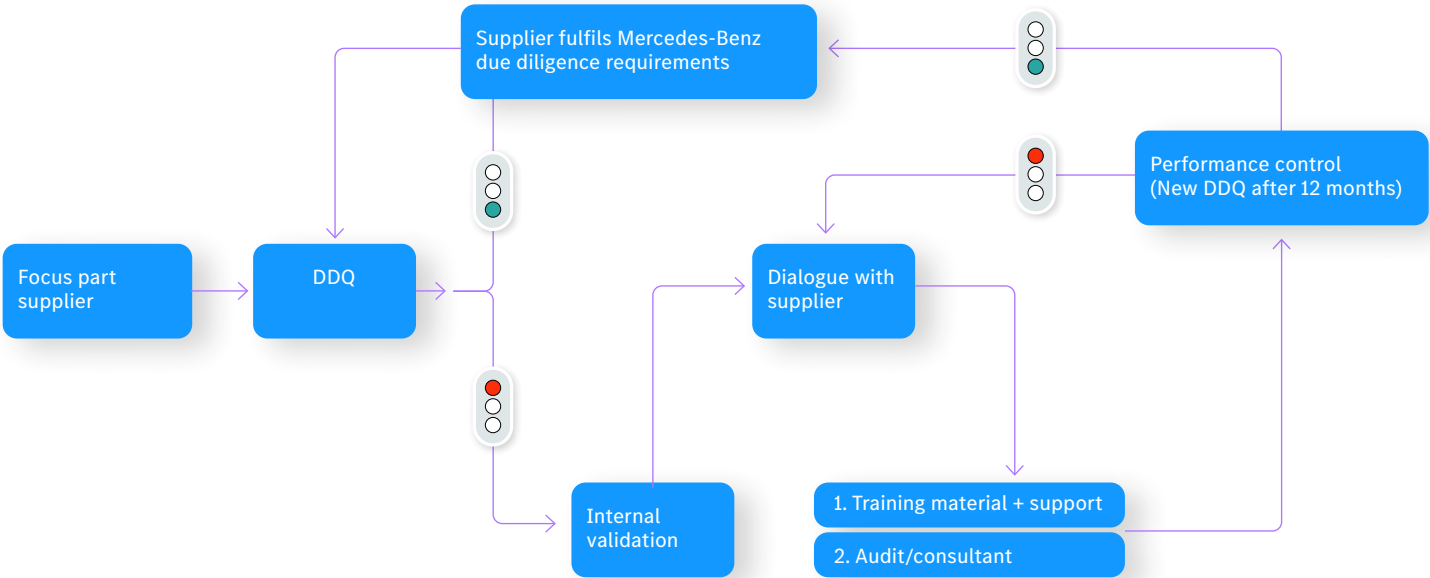
Collaborative Due Diligence Implementation in the Supply Chain



Effective implementation of due diligence obligations requires close collaboration across the supply chain. Mercedes-Benz recognises that effective implementation of measures regarding environmental and human rights risks can only be achieved if all actors share a common basis and understanding of due diligence. For this purpose, the Due Diligence Questionnaire (DDQ) alongside an accompanying empowerment project were developed to support suppliers in implementing the management systems described in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. These systems cover key elements such as transparency controls, supplier engagement, grievance mechanisms, and risk management.

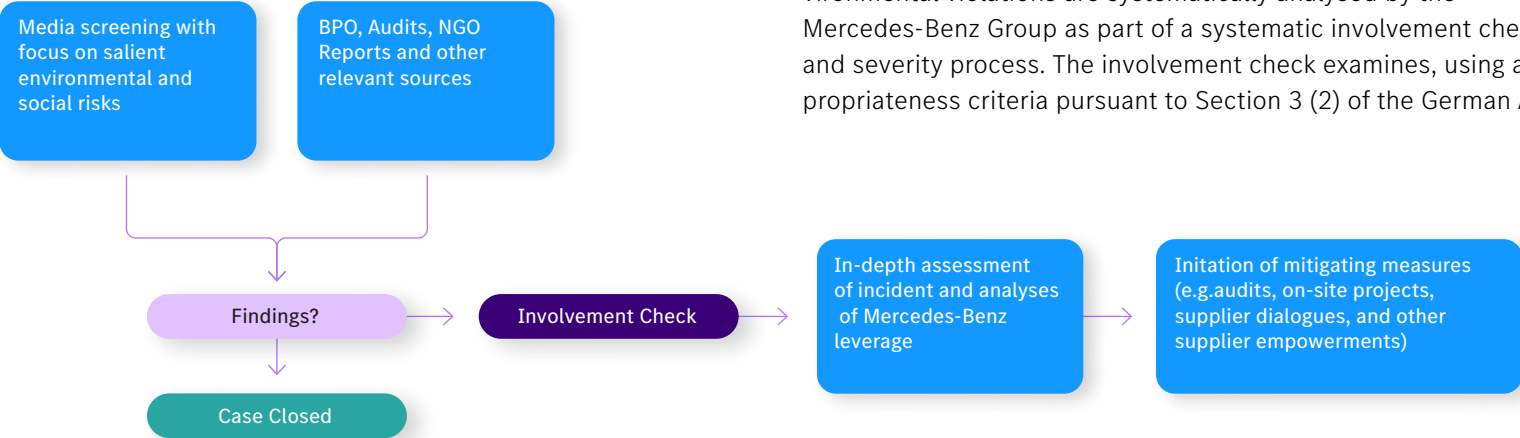
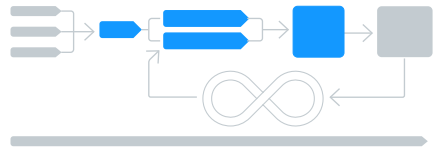
The empowerment approach is conducted only for selected suppliers who provide Mercedes-Benz with focus parts related to the 24 critical raw materials. It follows a two-stage process. If the initial DDQ indicates gaps in the supplier's due diligence management system, targeted training materials are made available. Progress is reviewed after 12 months through a follow-up DDQ assessment.

If insufficient improvement is observed, the supplier will be further supported in the second stage through a Corrective Action Plan. All measures and processes are conducted in a cooperative manner and are intended solely to support the supplier in fulfilling their due diligence obligations along the supply chain.



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Incident Management



Detection and analysis of human rights and environmental violations in the supply chain: procedures and risk screening

In addition to the company's own whistleblower system the Business and People Protection Office (BPO), Mercedes-Benz applies further procedures to detect potential human rights and environmental violations at direct suppliers and along its deeper supply chains. These include audits as well as risk screening of direct suppliers using a certified IT-based tool.

Internal and external reports of potential human rights or environmental violations are systematically analysed by the Mercedes-Benz Group as part of a systematic involvement check and severity process. The involvement check examines, using appropriateness criteria pursuant to Section 3 (2) of the German Act

on Corporate Due Diligence Obligations in Supply Chains (LkSG), whether and to what extent there is a connection to the company regarding the potential violation and which supply chain actors are affected.

Additionally, the type and severity of the potential human rights or environmental violation are analysed considering the number of affected individuals (Scope), the severity of the impacts (Scale) and its irremediability. Reports, identified risks, and gathered information on potential violations are incorporated into the risk assessment and the derivation of measures for specific raw materials.

The Mercedes-Benz initiates appropriate remediation measures depending on the level of involvement (Cause, Contribute, Linked) and its leverage.

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Risk Mitigation Strategy

Human Rights and environmental risks are complex and determined by multiple factors. Against this background, our responsibility is to define a risk mitigation strategy that adequately addresses these risks. Mercedes-Benz applies Theories of Change⁶⁴ to show how identified risks are addressed through concrete actions over time.

The definition of the risk mitigation strategy serves as the final component of our raw material assessments. It is informed by previous steps such as raw material analysis, risk assessment, and supply chain evaluation, as well as stakeholder feedback. This allows to better understand the root causes of environmental and human rights risks in the automotive industry. Based on these insights, Mercedes-Benz strategically identifies the most appropriate activities, to mitigate salient risk areas in the long run. This report shows the risk mitigation strategies for various raw materials using Theories of Change.

Mercedes-Benz introduced Theories of Change in 2024 to increase transparency and provide a structured representation of how impact is expected to unfold over time. Theories of Change demonstrate how specific activities are assumed to contribute to a sequence of results, ultimately leading to a desired long-term impact or change. The selection of measures is therefore a reflection

of assumptions of why activities may lead to a certain result and what kind of enabling conditions must be fulfilled (for more information, click here for [→ Assumptions](#)). Theories of Change also provide a basis for monitoring progress and assessing the effectiveness of implemented measures. Mercedes-Benz understands Theories of Change as a living framework for reflection, learning and collaboration.

Our Theories of Change incorporate the Logical Framework Model to demonstrate the causal relationships between various stages, following the IAOOI logic defined by the OECD: Input, Activity, Outcome, and Impact⁶⁵. “Input” refers to the resources invested, such as financial, human, or material resources. “Activities” are the specific actions taken, leading to desired “Outputs,” which are the direct results of these activities, such as goods, products, or services. “Outcomes” encompass the short to medium-term effects of these outputs, including changes in knowledge, behaviour, or conditions. The final stage, “Impact,” refers to the long-term effects of the outcomes on a broader societal level, including both intended and unintended consequences. For better readability and visual simplicity, the “Input” stage has been excluded in this report, focusing instead on the Activity, Output, Outcome, and Impact stages. To visualise progress across these stages, icons are used throughout this report, providing a clear

overview of the current status and supporting a consistent interpretation across sections. These stages are defined as:

-  ‘in progress,’
-  ‘completed,’ and
-  ‘introduced and ongoing,’

with the latter signifying that the objective has been achieved and related activities are established as an ongoing practice.

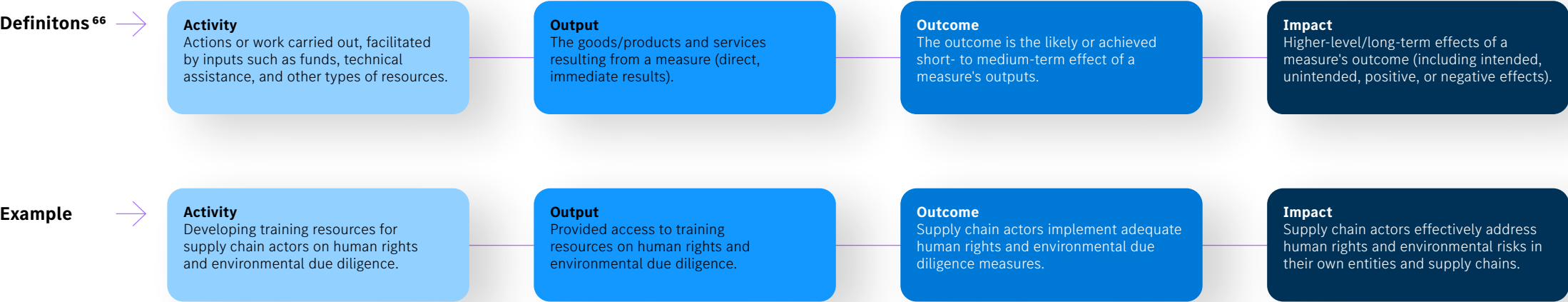
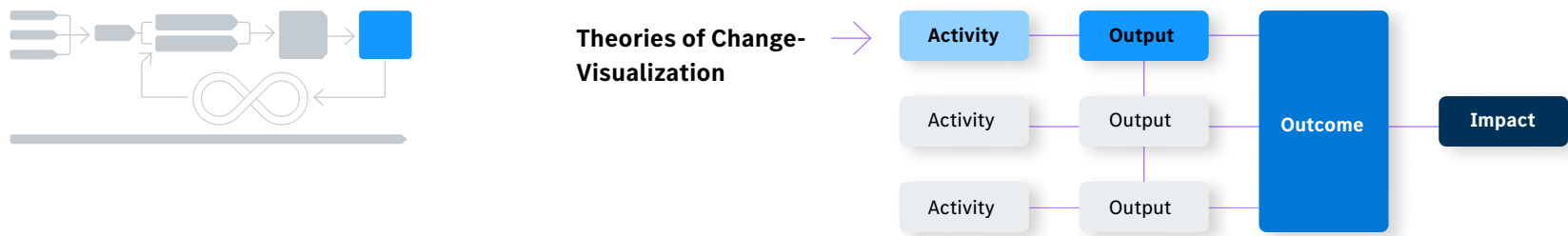
After developing the raw-material-specific Theories of Change as the final stage of the raw material assessments, the focus shifts to implementation. This includes the rollout of measures as well as the monitoring of their implementation and effectiveness.

Mercedes-Benz’s efforts to uphold human rights and environmental standards, particularly in addressing systemic risks, are influenced by a range of structural conditions and multiple stakeholders. These factors include but are not limited to poverty, conflicts, geopolitical dynamics, weak institutions, availability of resources, and varying levels of cooperation, all of which could hinder the realization of desired changes (for more information click [→ Limitations](#)).

⁶⁴ Mayne, J. (2015). Useful theory of change models. Canadian Journal of Program Evaluation, 30(2), 119-142
⁶⁵ OECD. (2023). [↗] Glossary of key terms in evaluation and results-based management for sustainable development (2nd ed.). OECD Publishing

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Risk Mitigation Strategy



⁶⁶ OECD. (2023). ↗ Glossary of key terms in evaluation and results-based management for sustainable development (2nd ed.). OECD

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Assumptions

Assumptions are a key component of a Theory of Change as they clarify the underlying rationale of the enabling conditions and correlations between activities, outputs, outcomes and impacts. They reflect how conditions, motivations and behaviours presumably interact with each other leading to a planned causal path of change. Assumptions also influence the decision on why specific activities are chosen and are therefore important tools for learning whether the underlying assumptions are in fact valid. The following assumptions underpin the logic applied across all raw material specific Theories of Change:

- Risk prioritisation**
Given the complexity of global supply chains, Mercedes-Benz follows a risk-based approach to prioritising human rights and environmental impacts in its supply chain.
- Influence**
As a known downstream actor, Mercedes-Benz can use its influence to promote awareness-raising, capacity-building and continuous improvement.
- Leverage**
Mercedes-Benz typically operates multiple processing steps downstream from raw material extraction. Therefore, leverage is expected to be increased through suppliers, partnerships with different stakeholders, and engagement in standard initiatives.

- Multi-stakeholder solutions**
Salient human rights and environmental risks in raw material supply chains are influenced by multiple actors, contextual conditions and dynamics. Improvement of human rights and environmental conditions can only be achieved if multiple stakeholders work together and address systemic causes that lead to negative impacts. This is why Mercedes-Benz assumes that multi-stakeholder (standard) initiatives/networks are a vital component for exchange, collaboration and action to address salient risk areas.
- Systemic approach**
As a downstream actor, Mercedes-Benz, like others in the industry, has limited transparency, and sometimes only through heightened efforts, regarding the specifics of certain raw material supply chains. Mercedes-Benz therefore applies a systemic approach to risk mitigation in raw material supply chains by assuming that there is an elevated risk also for its own supply chain.
- Effective standards**
Standards are effective tools in promoting human rights and environmental protection if they fulfil certain quality criteria in governance and audit processes and have best practice standard requirements that are also conducive to an effective due diligence management for downstream manufacturers. This is why Mercedes-Benz believes that it is important for us to contribute

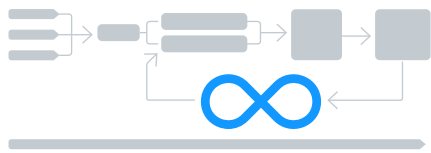
to the development of effective standards that address salient risk areas for downstream actors. Further information on the quality criteria applied by Mercedes-Benz is available here: [↗ Guidance: Mining and Supply Chain Standards | MBSP 2.0.](#)

- Market coverage of standards**
Standards have a greater impact when there is sufficient demand for these standards leading to a critical market coverage of over 50%. Mercedes-Benz believes that it can influence market coverage by introducing its own procurement requirements and by raising awareness of the value of voluntary sustainability standards to key external stakeholder groups.
- Stakeholder engagement**
The inclusion of potentially or actually affected rights holders is a cornerstone of the raw material assessment. While direct engagement with affected rights holders is our preferred approach, this is not always feasible. In such cases, Mercedes-Benz engages with a broad range of external stakeholders, including human rights organisations, non-governmental organisations, trade unions, academia and community representatives.

These consultations aim to review the identification of salient risk areas, assess the appropriateness of planned mitigating measures and support the evaluation of their effectiveness.

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Effectiveness Monitoring

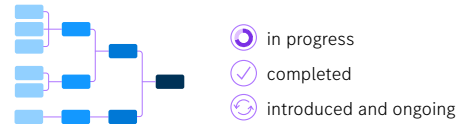


The introduction of Theories of Change (ToC) in the 2024 Raw Materials Report marked a significant step in visualizing our Risk Mitigation Strategies. Since then, Mercedes-Benz has further advanced the application of Theories of Change and begun to systematically collect effectiveness-related data throughout 2025 for three selected pilot pathways: and **Effective Standards, Mainstreaming Voluntary Sustainability Standards, and Due Diligence**. These Theories of Change pathways represent some of the most significant measures Mercedes-Benz implements to address environmental and human rights risks in our supply chains. This pilot serves as point of departure for establishing a comprehensive, measurable effectiveness Monitoring and Evaluation (M&E) system that will be rolled out over the coming years.

The following pages offer initial findings summarised in Logical Frameworks (Log Frames) corresponding to the three pilot Theories of Change pathways. For each output, and outcome, specific indicators have been developed and assessed, measuring the achievement of our short- and medium-term goals. Due to the high level of causal complexity at the impact level, indicators have not yet been introduced for this layer. The Log Frames show the results of the data collected for all raw materials for which the selected Theory of Change paths are relevant and include information on the sources of our data.

Data collection draws on both internal and external sources, including existing inhouse datasets as well as public and non-public external information. The analysis combines primary sources, such as interviews, with predominantly secondary sources, including audit reports and documentation. Both quantitative methods, such as data analysis, and qualitative approaches, including interviews and document reviews, have been applied.

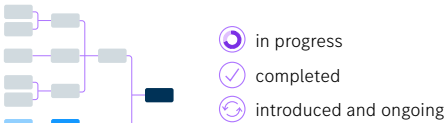
With the Log Frames, Mercedes-Benz pursues two objectives. First, to provide an unprecedented level of transparency on our performance for external stakeholders. Second, to establish a robust internal management tool that supports continuous steering towards the greatest achievable impact. As Mercedes-Benz is still in the development phase of a comprehensive M&E system, the company welcomes feedback on the applied methodology as well as on the results and their presentation to our stakeholders.





IMPACT

Mainstreaming Voluntary Sustainability Standards



Public Positioning
Participating in public fora on effective voluntary sustainability standards.

**Gold
Gold Processor Outreach**
Mercedes-Benz-specific outreaching activities to eligible gold processors (refiners/aggregators) for undergoing RMI RMAP audit program as part of participation in RMI's Gold Working Group.

Value Proposition
Promoted awareness of the value of effective voluntary sustainability standards in key stakeholder groups of critical minerals (incl. mining and downstream industry).

**Gold
Value Proposition**
Promoted awareness of the value of effective voluntary sustainability standards to gold processors.
Indicator (Gold Processor Outreach):
Mercedes-Benz-specific outreach to gold processors

Indicator (Public Positioning):
Key stakeholder groups have been addressed.
Result: 7 (NAP Sector Dialogue Lithium, ILIA, Mining Indaba, IFSMISC, US NMA, German Helpdesk for Business and Human Rights, OECD Forum on Responsible Mineral Supply Chains)
Source: Own documentation, conference protocols.

including aggregators conducted in 2025/26.
Result: One of the outreached gold refiner is "active" (undergoing assessment). Two additional processors expressed interest (Latest information April 2026).
Source: Own email documentation, RMI website on eligible/active/conformant refiners.

Al, Ni, Li, Co, C, Cu, 3TG, Mica

Market Adoption

Ni/Co/Li/C

- a.) IRMA-assessed mines achieve a critical market share of over 50% per raw material.
b.) Audited processors achieve a critical market share of over 50% per raw material.

a.) Mining level:

Indicator (Supplier Awarding Requirements): Market share of the total available volume of raw materials from IRMA third-party audited and self-assessed mines for lithium, cobalt, nickel, graphite in July 2025.

Result:
The following percentages refer to mines in the IRMA system under independent audit and within the preparatory self-assessment. The point of reference is production volume in comparison to global production of the respective material in 2025 (USGS).
a.) Lithium: 59 %
b.) Cobalt: 51 %
c.) Nickel: 39 %
d.) Graphite: 4 %
Source: external data from IRMA.

b.) Processing level:

Indicator (Supplier Awarding Requirements): Market share of the total available volume of refined materials from audited refiners for lithium, cobalt, nickel, graphite.
Result: n/a⁶⁹

3TG/Mica/Co

Market Adoption

RMI RMAP conformant (or equivalent) processors achieve a critical market share of over 50% per raw material.

Indicator 1 (Value Proposition): Total number of eligible processors versus number of RMI RMAP conformant processors per raw material (April 2026).

Result:

- a.) Tin: From 73 eligible tin processors 50 have reached RMI RMAP conformant status.
b.) Tantalum: From 35 eligible tantalum processors 32 have reached RMI RMAP conformant status.
c.) Tungsten: From 51 eligible tungsten processors 33 have reached RMI RMAP conformant status.
d.) Gold: From 179 eligible gold processors 91 have reached RMI RMAP conformant status.
e.) Mica: From 31 eligible Mica processors 6 have reached RMI RMAP conformant status.
f.) Cobalt: From 105 eligible cobalt processors 59 have reached RMI RMAP conformant status.
Source: RMI public facility information.

Indicator 2 (Value Proposition): Market share of the total available volume of refined materials from RMI RMAP audited processors for 3TG, Mica, Cobalt.
Result: n/a⁶⁹

**Aluminium
Market Adoption**

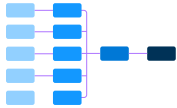
ASI/IRMA audited mines achieve a critical market share of over 50% in aluminium mining sector.
Indicator (Value Proposition): Market share of the total available volume of raw materials from ASI audited bauxite mines.
Result: n/a⁶⁹

⁶⁹ n/a = no data

Mainstreaming Voluntary Sustainability Standards
The implementation of effective voluntary standards represent a recognized responsible sourcing practice.

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Supply Chain Due Diligence and Transparency

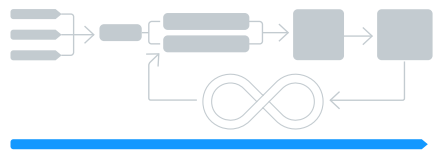


- in progress
- completed
- introduced and ongoing



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Stakeholder Engagement



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These consultations aim to review the identification of salient risk areas, assess the appropriateness of planned mitigating measures and support the evaluation of their effectiveness.

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Limitations

The promotion of human rights and environmental rights along our supply chain is a central pillar of Mercedes-Benz’s corporate responsibility. Despite this firm commitment and continuous efforts, the company faces various challenges and limitations in the implementation of measures and in the achievement of its ambitions. The key ones are outlined below.

Insufficiently developed sustainable sourcing practices within automotive supply chains

The automotive industry is undergoing a fundamental transition process where sustainable sourcing practices are becoming increasingly essential. At this decisive turning point, many actors along the supply chain are still struggling with the implementation of these practices in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals. Furthermore, the current reach and adoption of third-party standards and audit schemes remain limited – particularly in high-risk geographies – meaning that not all suppliers or upstream actors are yet covered by robust verification mechanisms which can also be attributed to the voluntariness of standards. Ineffective stakeholder and rights holder engagement additionally may impede the effectiveness of due diligence measures.

Building capabilities of supply chain actors is an ongoing process that requires continuous engagement, tailored support, and realistic timelines – particularly in complex, multi-tier supply chains

where due diligence maturity levels and resource availability vary significantly. Yet, willingness to cooperate can vary, representing an additional limitation when implementing and scaling due diligence measures across multi-tier supply chains.

Limited transparency along global multi-tier supply chains

The complexity of global automotive supply chains poses significant challenges to achieving transparency, whereas the origins of materials and the conditions under which they are sourced are obscure and difficult to trace back. Full traceability remains a challenge, as data availability and quality vary significantly across supplier tiers and regions – particularly in upstream segments where informal operations or limited disclosure hinder transparency.

Limits of empowerment before withdrawal

Mercedes-Benz primarily follows the principle of “empowerment before withdrawal,” in line with applicable legal frameworks as well as international guidelines and recommendations from non-governmental organizations (NGOs). Our approach aims to support suppliers in improving the status quo and addressing identified risks. At the same time, empowerment is not universally applicable. Where suppliers are unwilling to engage, where no tangible progress is achieved within a defined timeframe, or where severe violations occur that leave no realistic scope for empowerment – such as state-imposed forced labour – continued engagement may no longer be feasible. In these cases, withdrawal

represents the measure of last resort. Mercedes-Benz therefore retains the option to terminate business relationships or restructure certain supply chains to mitigate severe human rights-related risks.

Uncertainties within supply chain due diligence legislation

The regulatory landscape for supply chain due diligence is rapidly evolving. Monitoring and eventually adapting to differing regulatory requirements on supply chain due diligence is challenging.

Diversity of global legal frameworks and application

The diversity of legal frameworks across different countries poses a significant challenge to creating a unified approach to sustainable sourcing. Each jurisdiction may have its own set of regulations, standards, and expectations, making it difficult to implement a consistent management system.

Geopolitical and market dynamics

Geopolitical risks, competing interests and volatile market dynamics represent a persistent source of uncertainty. Political instability, ineffective law enforcement and armed conflict, can severely impede the protection of human rights by governments as well as impede the implementation of responsible sourcing by companies. As these factors often lie beyond corporate control, they require flexible, risk-based adjustments to sourcing strategies.

01 FOREWORD	02 RAW MATERIALS	03 LOCAL SPOTLIGHTS	04 CROSS-CUTTING AREAS OF ACTION	05 SUSTAINABILITY INITIATIVES AND STANDARDS	06 RAW MATERIAL ASSESSMENT	07 ANNEX		
Assessment to effectiveness monitoring	Methodology	Collaborative DD Implementation	Incident Management	Risk Mitigation Strategy	Effectiveness Monitoring	Stakeholder engagement	Limitations	RMS by Raw Material

Limitations

Systemic causes

Human rights violations and environmental degradation are often the result of complex interactions of various factors, including but not limited to poverty, power inequalities, discrimination, economic exploitation, conflicts, weak governance and jurisdictions.

Limited influence and leverage

Mercedes-Benz is a known downstream actor but given its position in the supply chain, its influence and its leverage across the supply chain is limited. This limitation is made even more apparent by the fact that the most salient risk areas are located at raw material extraction and processing, several stages removed from the automotive manufacture.

Local projects

Mercedes-Benz projects are tailored specifically to local conditions and are only marginally transferable to other risk areas.

Methodological limitations

Our approach to effectiveness control is currently methodologically limited to the measurement of observable changes and does not yet encompass an analysis of the causality between our action and the observed change which is why Mercedes-Benz cannot draw the conclusion that these actions have caused/contributed to the observed change.

The outlined limitations underscore the importance of continuous learning, cross-sector collaboration, and the progressive expansion of robust standards and stakeholder engagement to address existing gaps and strengthen the effectiveness of Mercedes-Benz’s management systems. Alongside this continuous commitment to the improvement of social and environmental standards along global supply chains, Mercedes-Benz is constantly reflecting and challenging its approach. Achieving long-term beneficial outcomes can only be achieved by thinking outside the box in a repetitive process of trial and error. The goal is to further pursue this path and explore potential trajectories to sustainable sourcing to enhance our practices continuously over time.

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Risk Mitigation Strategies by Raw Material

Al

Aluminium

➤ Page 126

Mercedes-Benz
Risk Mitigation Strategy
for Aluminium

Co

Cobalt

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Mercedes-Benz
Risk Mitigation Strategy
for Cobalt

Cu

Copper

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Mercedes-Benz
Risk Mitigation Strategy
for Copper

C

Graphite

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Mercedes-Benz
Risk Mitigation Strategy
for Graphite

Leather

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Mercedes-Benz
Risk Mitigation Strategy
for Leather

Li

Lithium

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Risk Mitigation Strategy
for Lithium

Mica

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Risk Mitigation Strategy
for Mica

Ni

Nickel

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Pt

Platinum

Pd

Palladium

Rh

Rhodium

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Mercedes-Benz
Risk Mitigation Strategy
for PGMs

Rubber

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Mercedes-Benz
Risk Mitigation Strategy
for Rubber

Rare Earth
Elements

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Mercedes-Benz
Risk Mitigation Strategy
for REEs

Si

Silica Sand
and Silicon

➤ Page 181

Mercedes-Benz
Risk Mitigation Strategy
for Silicia, Sand and Silicon

Au

Gold

Ta

Tantalum

Sn

Tin

W

Tungsten

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Mercedes-Benz
Risk Mitigation Strategy
for 3 TG

01 FOREWORD	02 RAW MATERIALS	03 LOCAL SPOTLIGHTS	04 CROSS-CUTTING AREAS OF ACTION	05 SUSTAINABILITY INITIATIVES AND STANDARDS	06 RAW MATERIAL ASSESSMENT	07 ANNEX			
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Mercedes-Benz Risk Mitigation Strategy for Aluminium

Effective Standards

Standards hold significant potential to identify risks, induce and monitor continuous improvement. Mercedes-Benz is committed to improving existing standards by actively supporting standard revisions and have done so for both IRMA (2025) and ASI (2026). Based on our standard guidance ([↗ Guidance: Mining and Supply Chain Standards | MBSP 2.0](#)), Mercedes-Benz issued recommendations for both IRMA and ASI to further improve their governance and processes.

Mainstreaming Voluntary Sustainability Standards

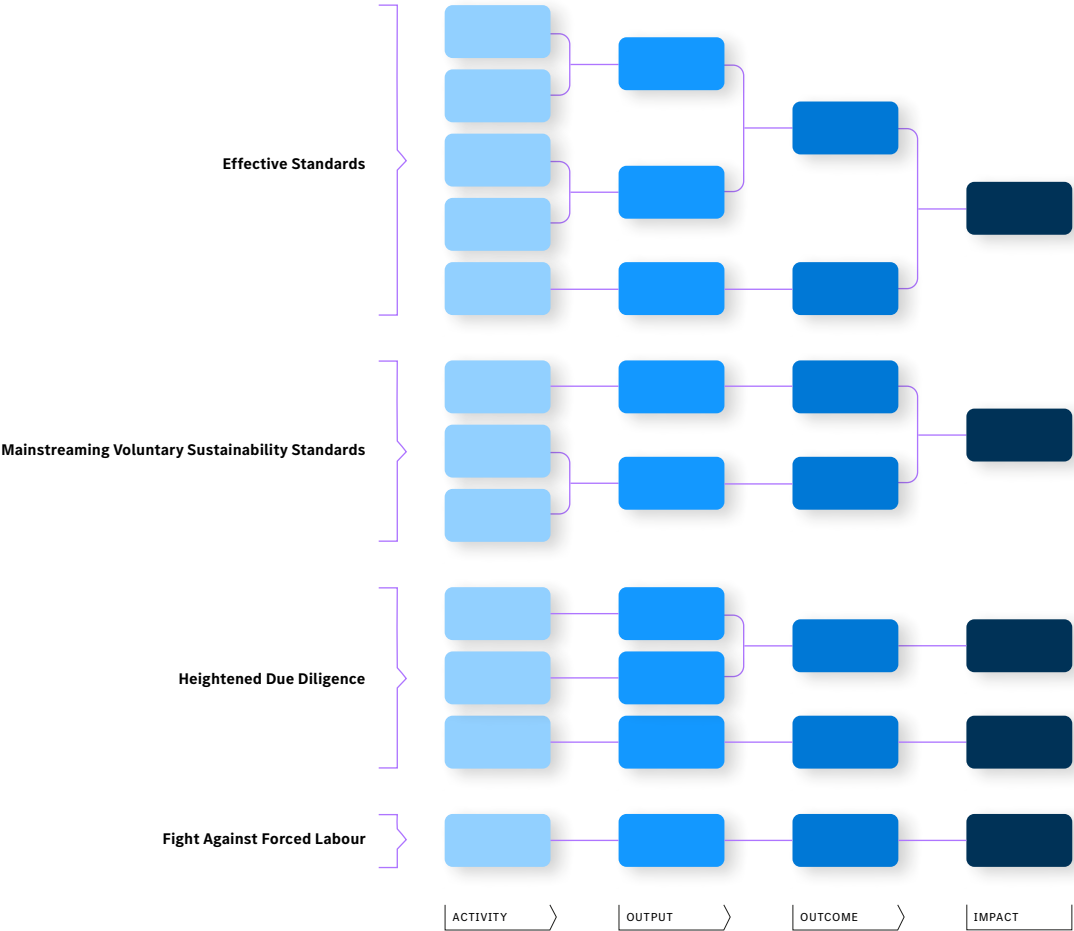
Demand is the strongest driver for the uptake of standards in raw material supply chains. Mercedes-Benz has thus introduced awarding premises for new projects related to aluminium focus part being contracted to source primary aluminium from ASI certified or IRMA audited mines achieving at least IRMA 50.

Heightened Due Diligence

Our raw material assessment identified the need for heightened due diligence in Guinea. A visit to Boke in May 2023 led to direct engagement with mining operators to address human rights and environmental impacts, highlighting the need for collaborative mitigation efforts. In Brazil, Mercedes-Benz partnered with Norsk Hydro for CO₂-reduced aluminium, respecting community rights and the rights of Indigenous Peoples. The Corridor Programme, initiated by Norsk Hydro, IMAZON, IPAM, and the Centro de Empreendedorismo da Amazonia, aims to drive social progress and protect biodiversity around Norsk Hydro's sites in Para.

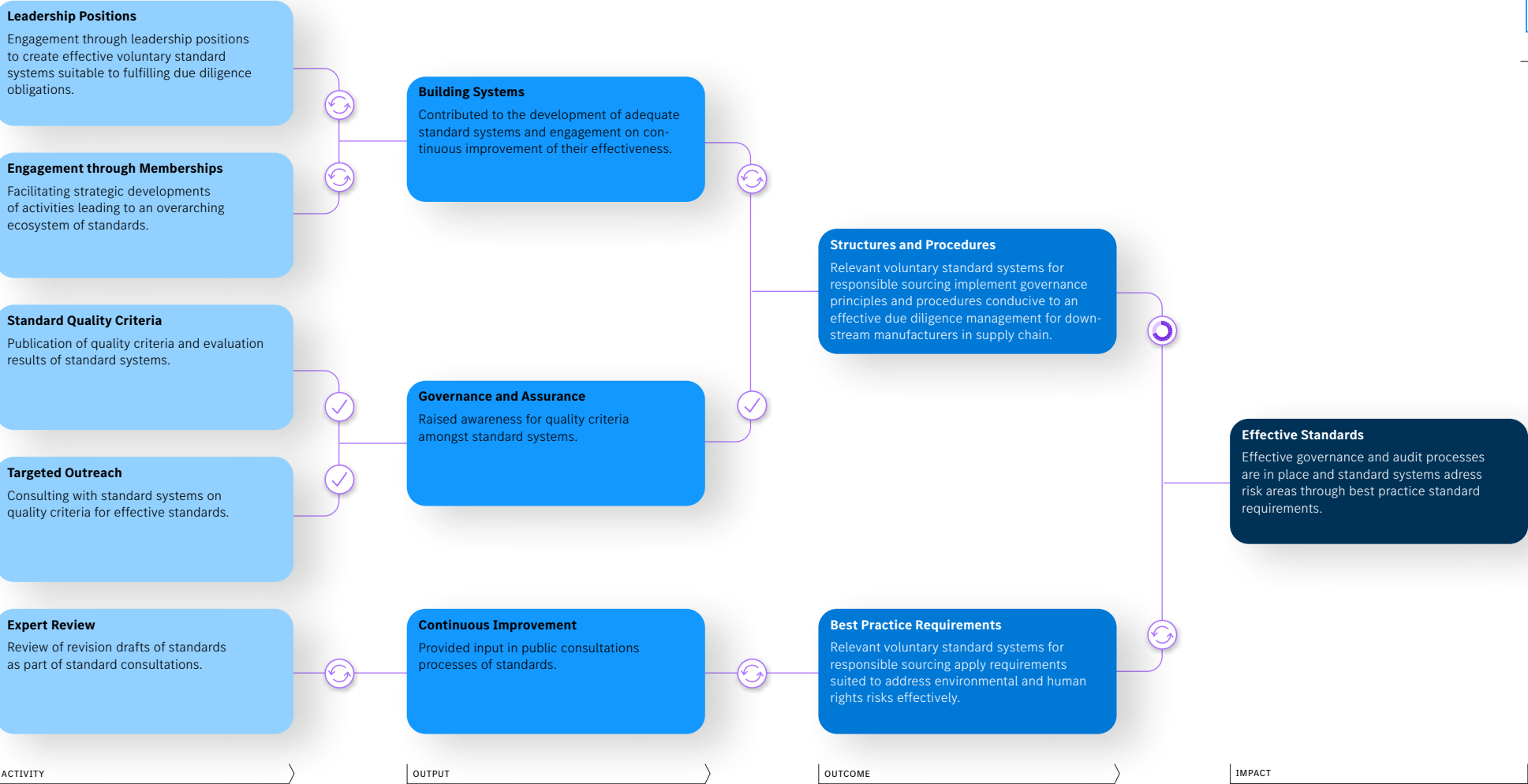
Fight Against Forced Labour

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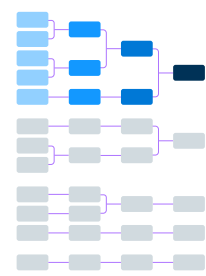
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Effective Standards





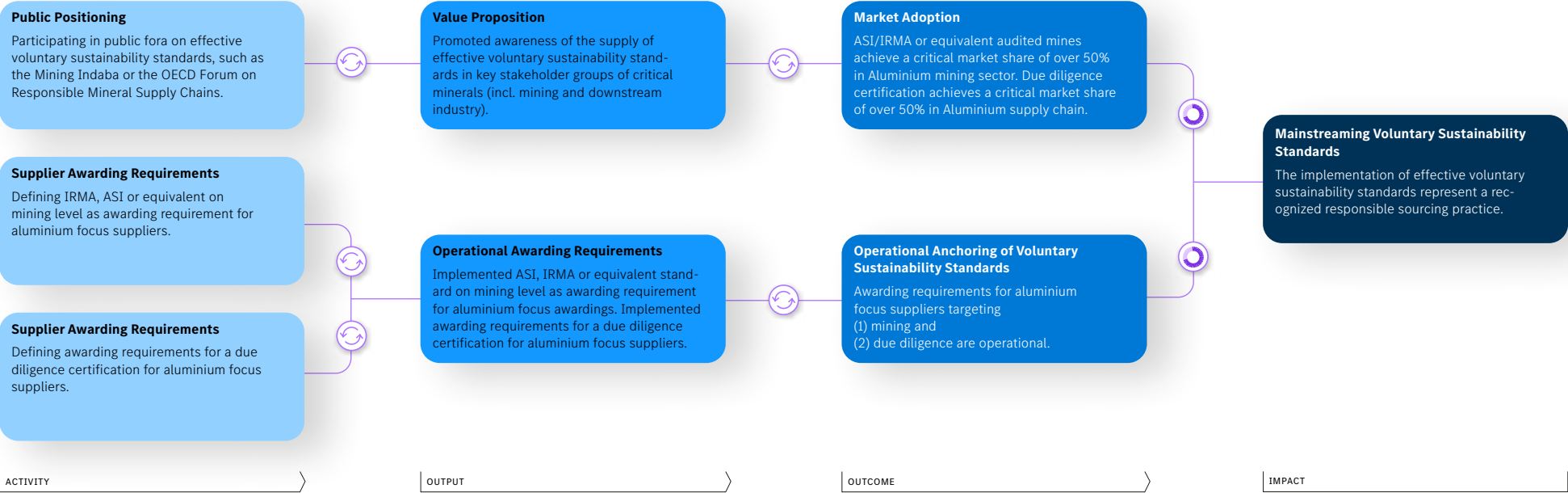
Mercedes-Benz
Risk Mitigation Strategy
for Aluminium



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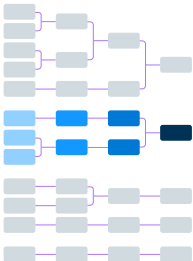
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Mainstreaming Voluntary Sustainability Standards





Mercedes-Benz
Risk Mitigation Strategy
for Aluminium

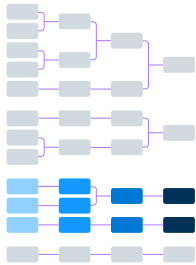


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Aluminium

Mercedes-Benz
Risk Mitigation Strategy
for Aluminium



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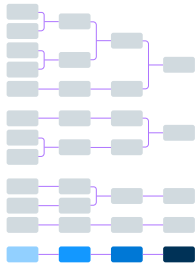
Heightened Due Diligence



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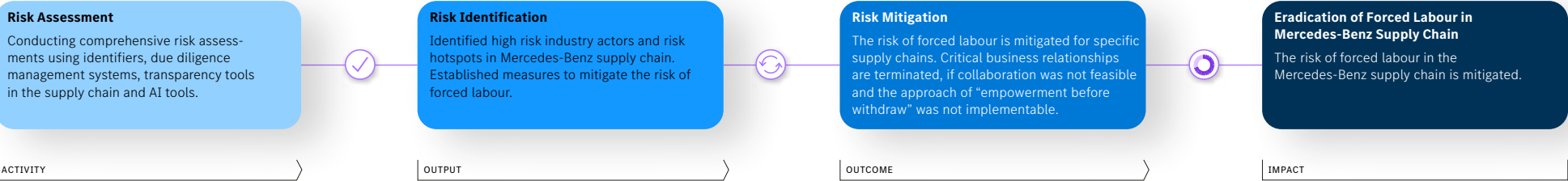


Mercedes-Benz
Risk Mitigation Strategy
for Aluminium



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Fight Against
Forced Labour



01 FOREWORD	02 RAW MATERIALS	03 LOCAL SPOTLIGHTS	04 CROSS-CUTTING AREAS OF ACTION	05 SUSTAINABILITY INITIATIVES AND STANDARDS	06 RAW MATERIAL ASSESSMENT	07 ANNEX		
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Mercedes-Benz Risk Mitigation Strategy for Cobalt

Effective Standards

Standards hold significant potential to identify risks, induce and monitor continuous improvement as well as to support downstream manufacturers in effective due diligence management in supply chains. Mercedes-Benz is committed to improving existing standards by contributing to the development of standard systems that are effective in terms of governance, audit processes and address risk areas effectively through best practice standard requirements, such as through our standard guidance ([↗Guidance: Mining and Supply Chain Standards|MBSP 2.0](#)).

Supply Chain Due Diligence and Transparency

Transparency regarding high-risk actors and hotspots in the supply chain is key in strengthening due diligence measures in the supply chain. Over the last years, the company has intensively looked at battery supply chains. To improve due diligence measures, Mercedes-Benz audits supply chain partners against international standards, provide training as well as corrective action plans to support step-by-step performance improvement.

Mainstreaming Voluntary Sustainability Standards

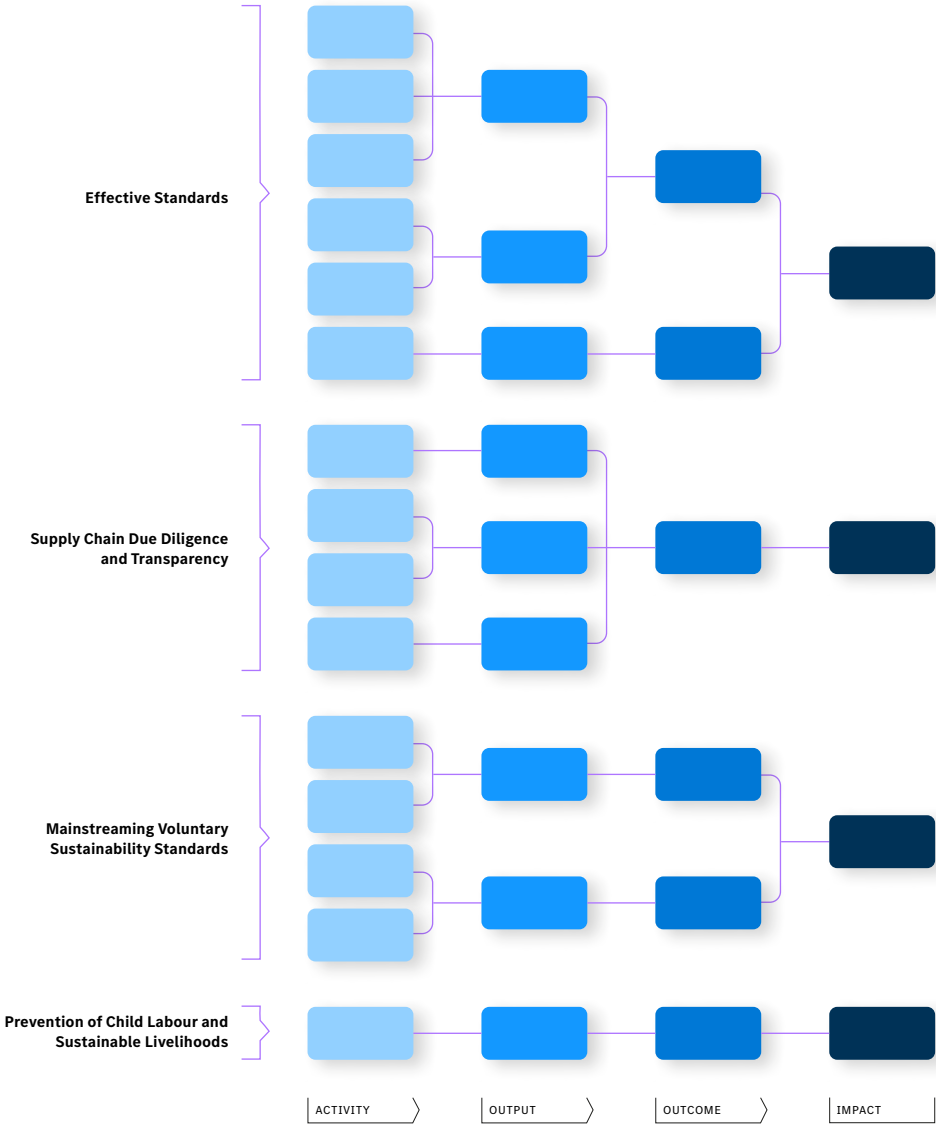
Demand is the strongest driver for the uptake of standards in raw material supply chains. To increase demand, Mercedes-Benz publicly promotes the value of effective voluntary standards to key stakeholder groups, and continuously introduces awarding premises on mining level (such as IRMA or equivalent), as well as adequate standards at refiner level. Our goal is to apply these awarding requirements across all of our sourcing activities for focus commodities.

Prevention of Child Labour and Sustainable Livelihoods

Together with local project partner (Bon Pasteur) Mercedes-Benz aims to eliminate, prevent and remediate child labour in the Democratic Republic of the Congo (DRC). This is achieved by providing safe spaces for children with access to primary and secondary education and by training community members in new and existing income-generating activities beyond mining.

Responsible Management of ASM

Mercedes-Benz applies a cross-material ASM approach where ASM risks may be present. This includes internal guidance to ensure consistent decision-making and communication, and ASM specific expectations embedded in due diligence requirements. It is complemented by exchanges with suppliers, affected stakeholders and peers to raise awareness as well as through identification of high-risk suppliers and planned capacity-building. For more information on our ASM activities, see ([→ASM](#)).



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Leadership Positions
Engagement through leadership positions to create effective voluntary standard systems suitable to fulfilling due diligence obligations.

Engagement through Memberships
Facilitating strategic developments of activities leading to an overarching eco-system of standards.

RMI ESG Roll-Out
Mercedes-Benz is as a member of the RMI Collective Task Force, which supported the development and initial roll out of the new RMAP+ and ESG standard for the processor level.

Standard Quality Criteria
Publication of quality criteria and evaluation results of standard systems.

Targeted Outreach
Consulting with standard systems on quality criteria for effective standards.

Expert Review
Review of revision drafts of standards as part of standard consultations.

Effective Standards

Building Systems
Contributed to the development of adequate standard systems and engagement on continuous improvement of their effectiveness.

Governance and Assurance
Raised awareness for quality criteria amongst standard systems.

Continuous Improvement
Provided input in public consultations processes of standards.

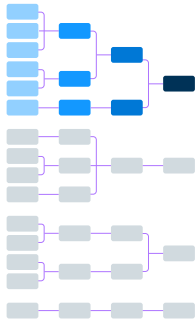
Structures and Procedures
Relevant voluntary standard systems for responsible sourcing implement governance principles and procedures conducive to an effective due diligence management for downstream manufacturers in supply chain.

Best Practice Requirements
Relevant voluntary standard systems for responsible sourcing apply requirements suited to address environmental and human rights risks effectively.

Effective Standards
Effective governance and audit processes are in place and standard systems address risk areas through best practice standard requirements.

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Cobalt

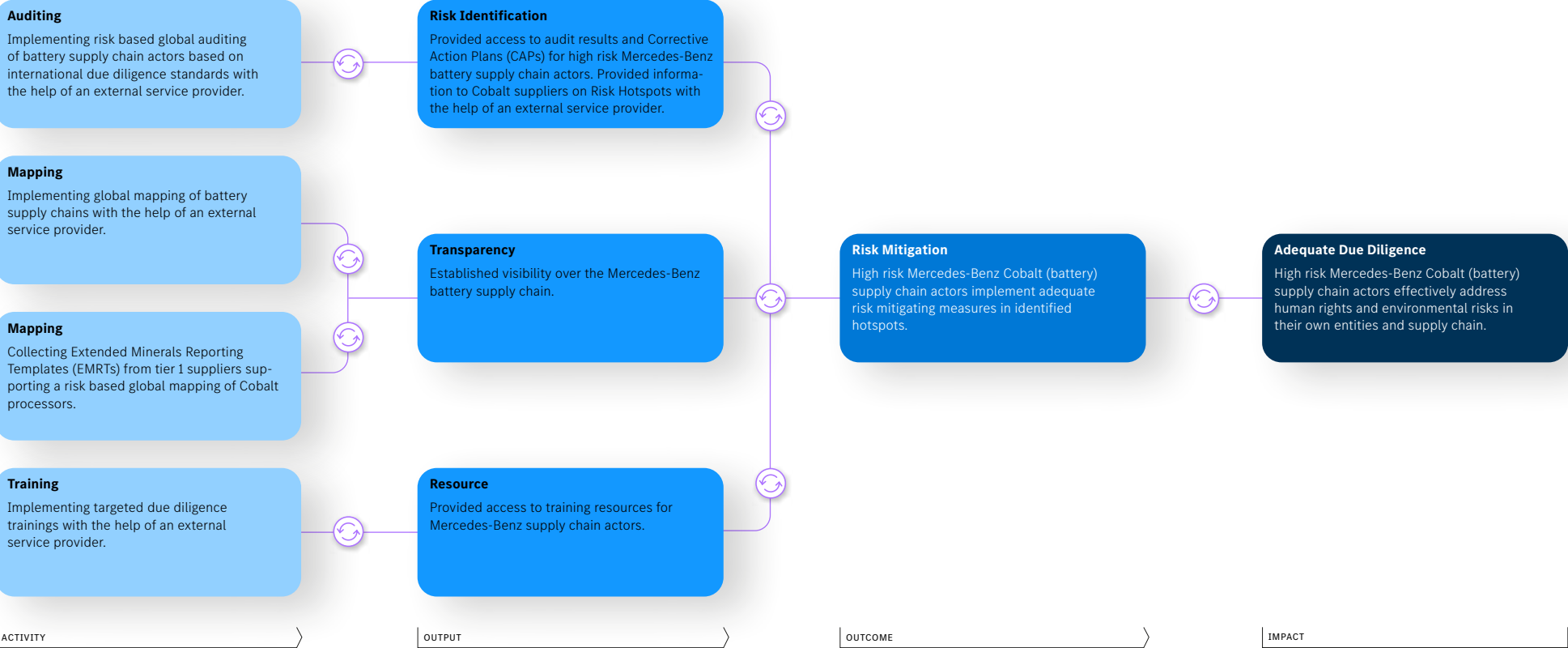
Mercedes-Benz
Risk Mitigation Strategy
for Cobalt



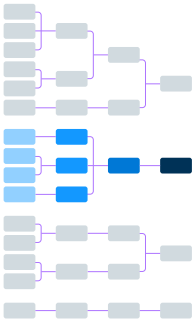
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Supply Chain Due Diligence and Transparency



Mercedes-Benz
Risk Mitigation Strategy
for Cobalt



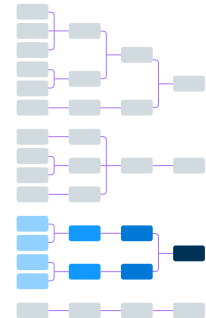
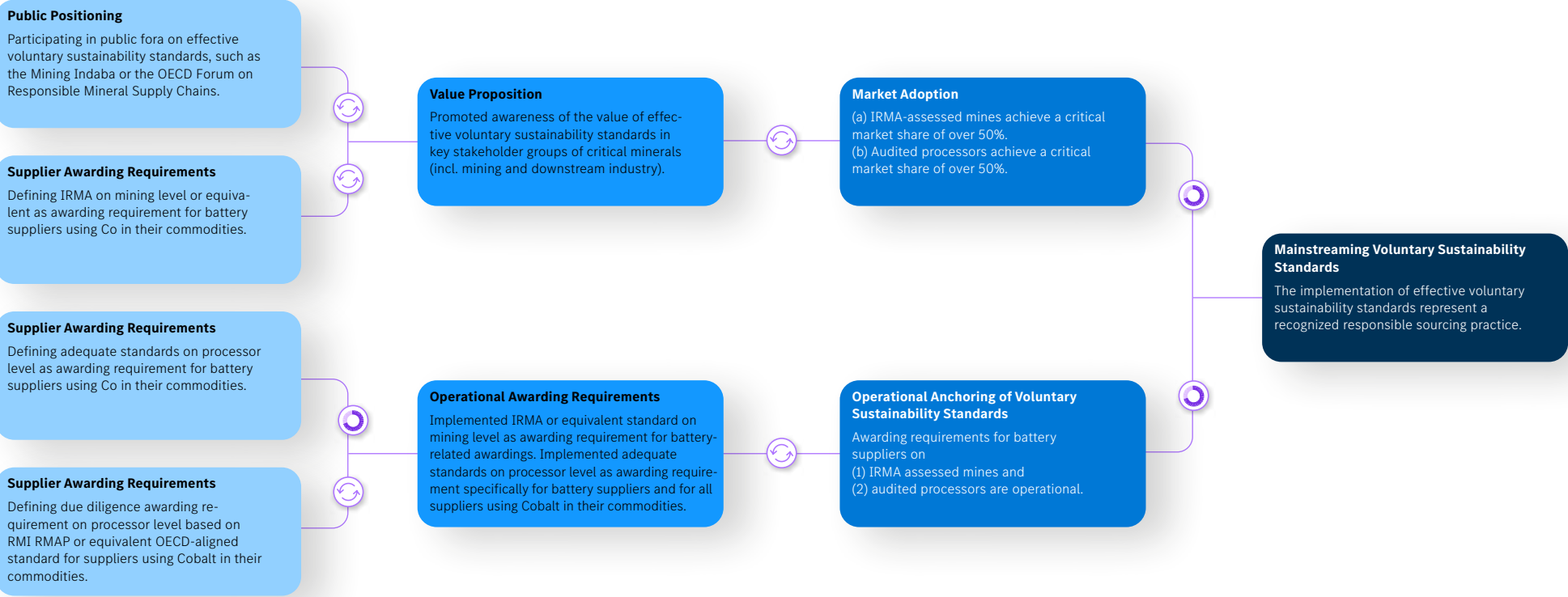
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Mercedes-Benz
Risk Mitigation Strategy
for Cobalt

Mainstreaming Voluntary
Sustainability Standards

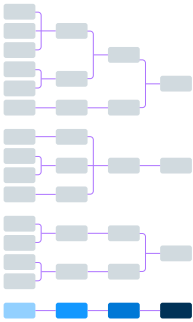


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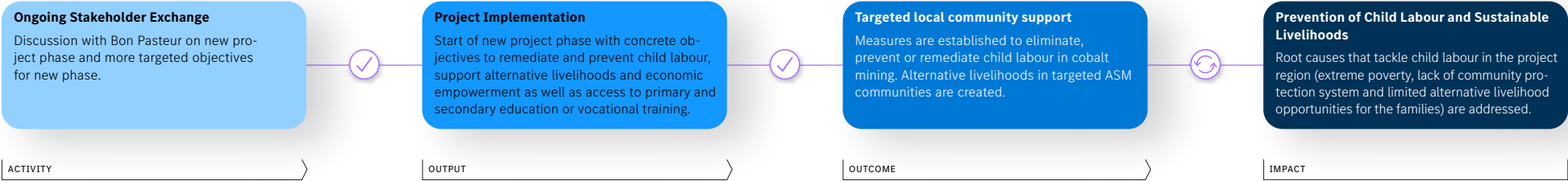
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Cobalt

Mercedes-Benz
Risk Mitigation Strategy
for Cobalt



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Prevention of Child Labour and Sustainable Livelihoods



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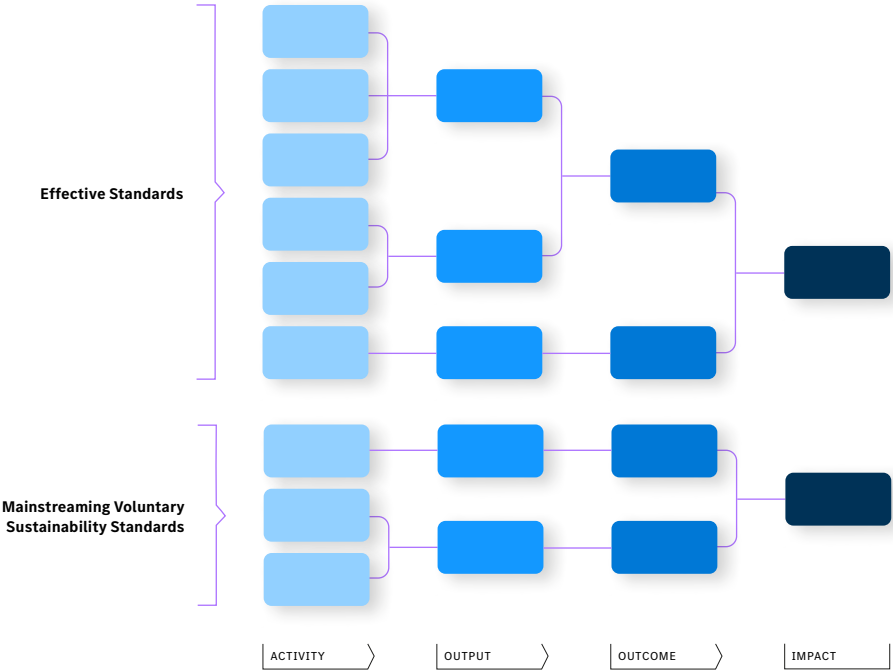
Mercedes-Benz Risk Mitigation Strategy for Copper

Effective Standards

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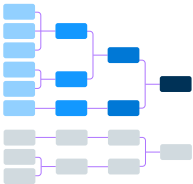
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Cu
Copper

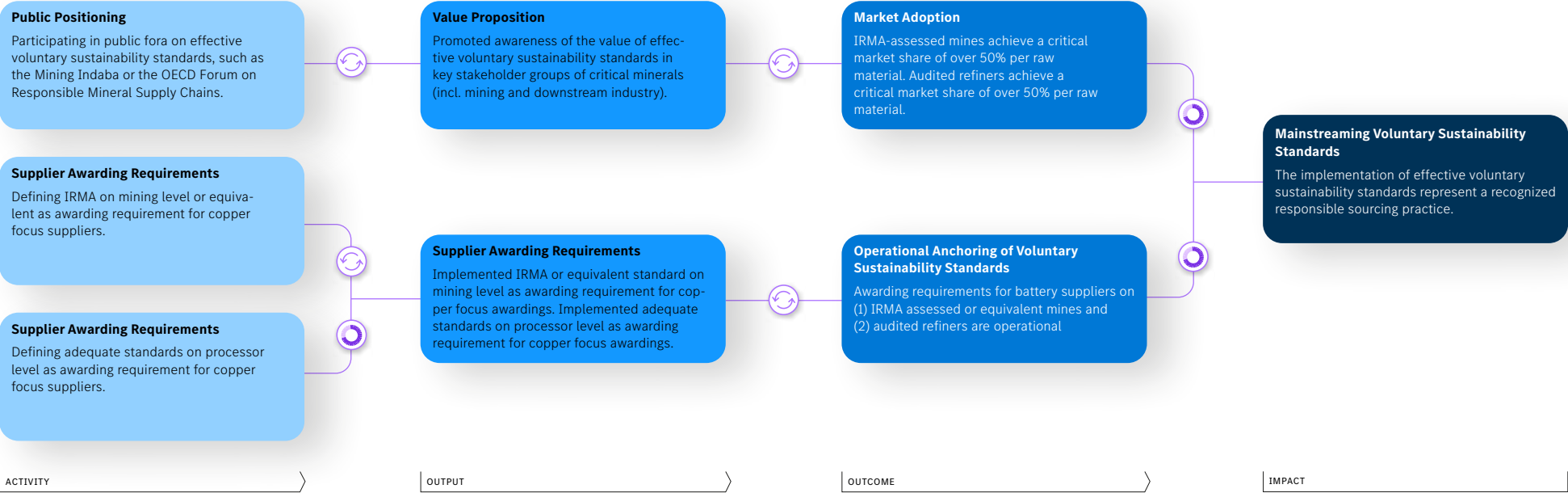
Mercedes-Benz
Risk Mitigation Strategy
for Copper



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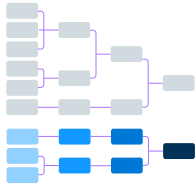
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Mainstreaming Voluntary Sustainability Standards



Cu
Copper

Mercedes-Benz
Risk Mitigation Strategy
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Mercedes-Benz Risk Mitigation Strategy for Graphite

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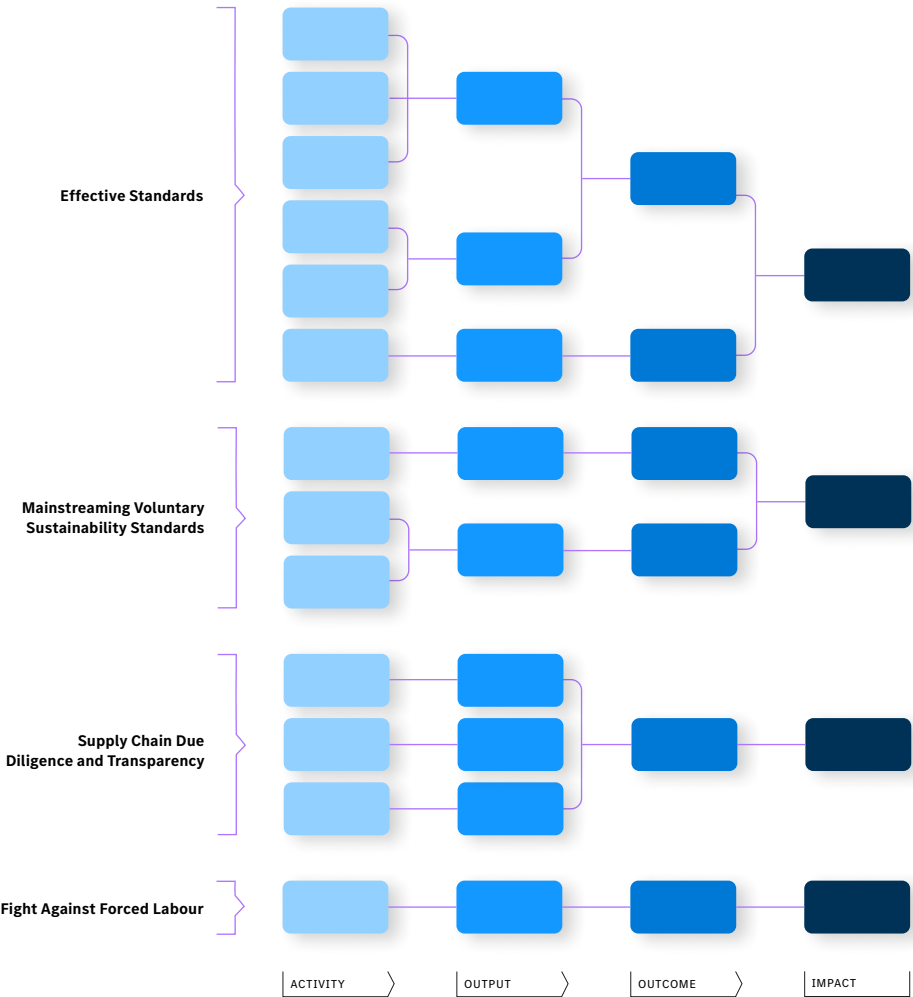
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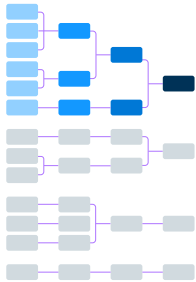
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Graphite

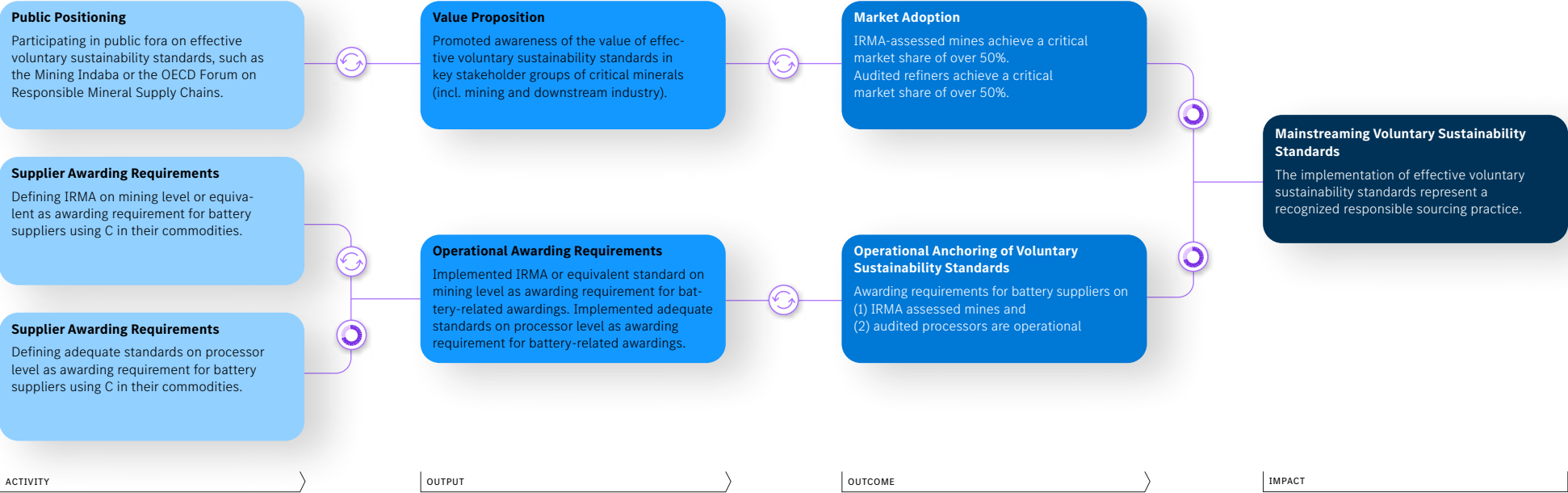
Mercedes-Benz
Risk Mitigation Strategy
for Graphite



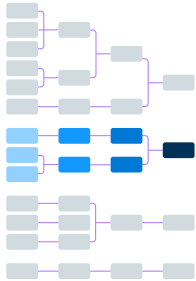
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Mainstreaming Voluntary Sustainability Standards



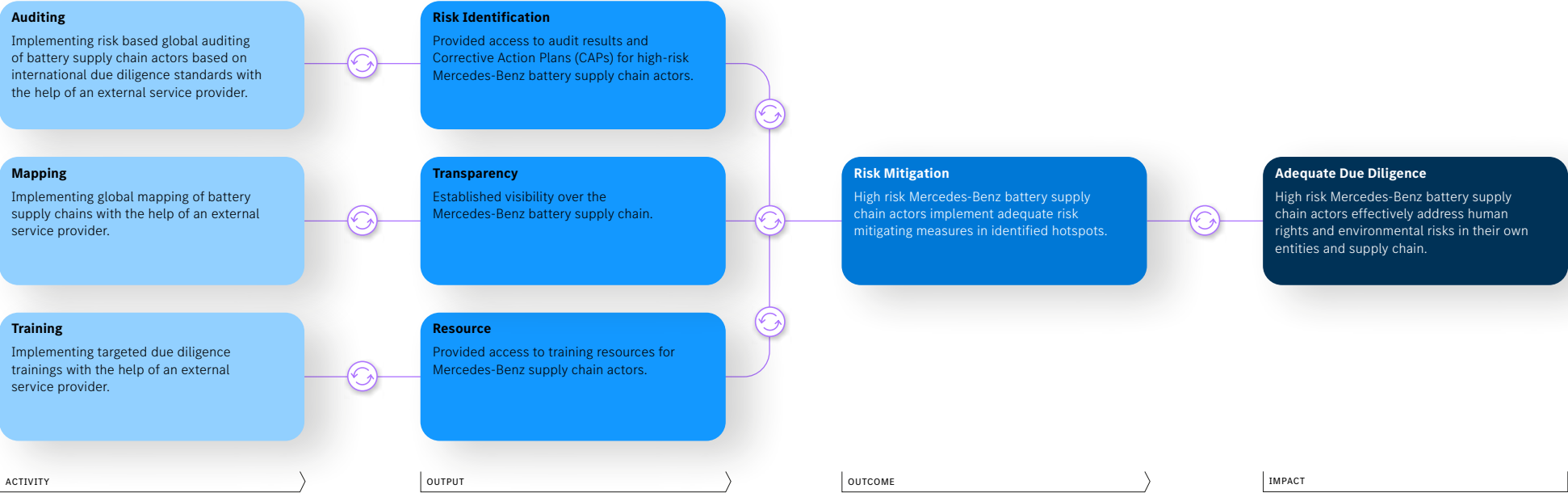
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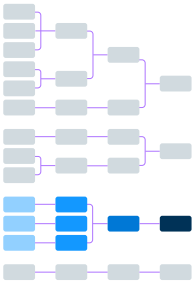
01 FOREWORD	02 RAW MATERIALS	03 LOCAL SPOTLIGHTS	04 CROSS-CUTTING AREAS OF ACTION	05 SUSTAINABILITY INITIATIVES AND STANDARDS	06 RAW MATERIAL ASSESSMENT	07 ANNEX		
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Supply Chain Due Diligence and Transparency





Mercedes-Benz
Risk Mitigation Strategy
for Graphite

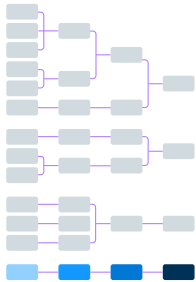


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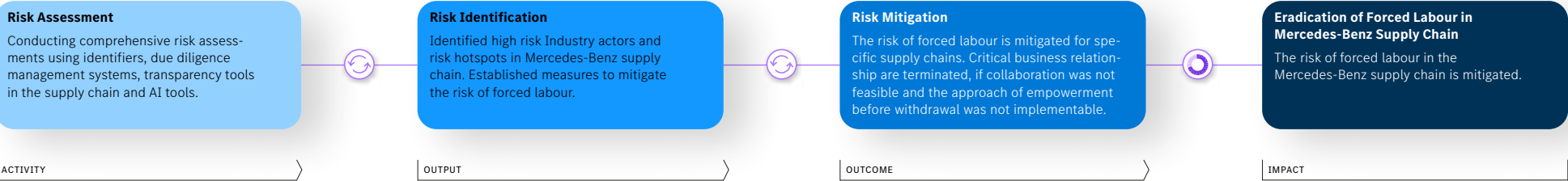
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Fight Against Forced Labour



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Mercedes-Benz Risk Mitigation Strategy for Leather

Supply Chain Transparency and Due Diligence

Mercedes-Benz applies a risk-based due diligence system across the leather supply chain aligned with its Responsible Sourcing Standards. Before supplier nomination, tier-1 suppliers must provide detailed upstream data via a mandatory supply chain tracking tool, covering farm regions, slaughterhouses, tanneries, and finishing locations. These requirements are contractually binding and assessed through documentation reviews, AI-supported risk-screening processes, onsite visits, and continuous engagement with direct and upstream suppliers.

Mitigating (Illegal) Deforestation and Regulatory Preparedness

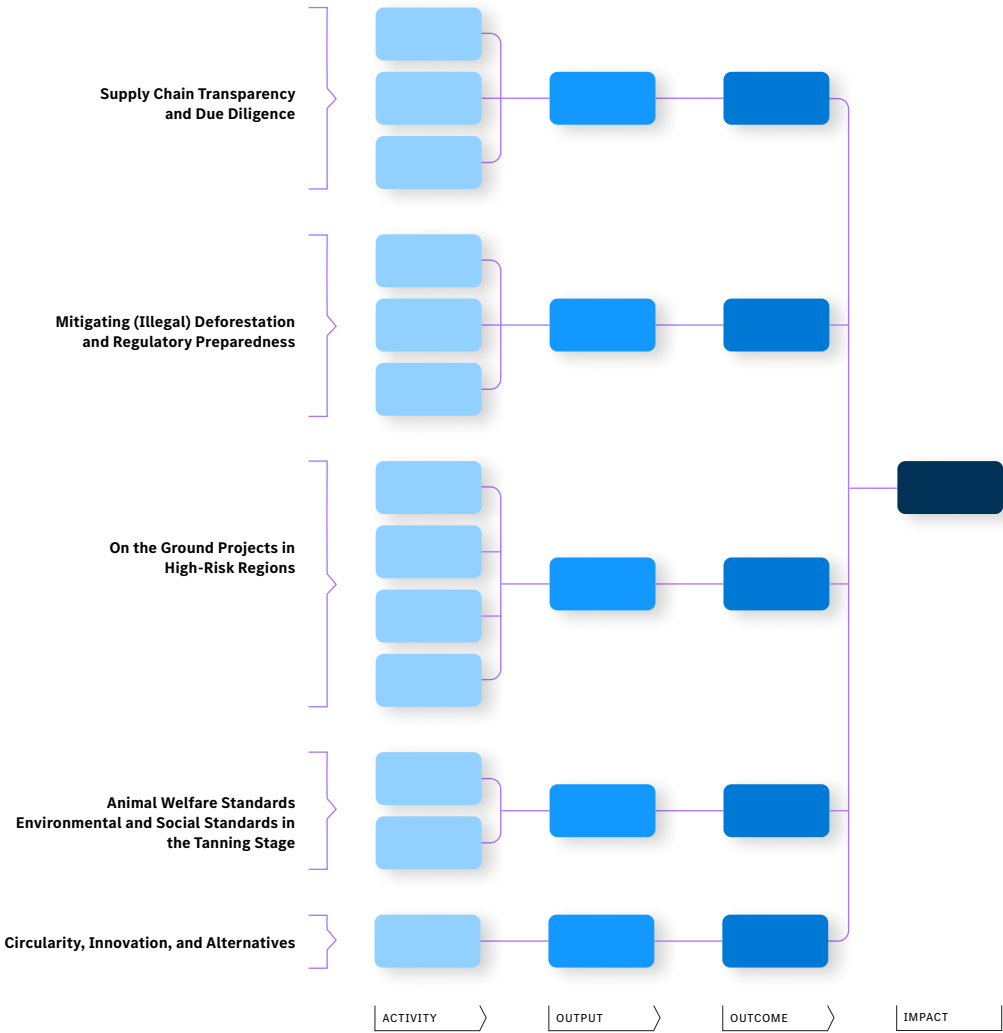
Deforestation is a material risk in cattle-based supply chains. Under Mercedes-Benz' Responsible Sourcing Standards, suppliers must ensure prevention of illegal deforestation and implement upstream due diligence measures across their supply chains. Well ahead of the EU Deforestation Regulation (EUDR, effective December 2026), Mercedes-Benz has implemented and continues to strengthen core due diligence elements (→ [Spotlight Brazil](#)). For EUDR readiness, Mercedes-Benz uses an IT-enabled due diligence tool to collect batch-level origin and geolocation data and conduct geospatial screening, enabling verification of compliance and deforestation-free sourcing for all parts identified as EUDR affected.

On the Ground Projects in High-Risk Regions (→ [Spotlight Brazil](#))

Mercedes-Benz engages in targeted initiatives in high-risk sourcing regions. In Brazil (less than 5% of our leather volume), activities focus on traceability improvements, satellite-based monitoring, and multi-stakeholder collaboration to support deforestation-free supply chains and rights of Indigenous Peoples.

Results:

- 100% traceability to birth farms
- 100% verification of tier-1 suppliers
- More than 60% verification at tier-n and more than 50% at birth-farm level



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Mercedes-Benz Risk Mitigation Strategy for Leather

Animal Welfare Standards

Suppliers must evidence compliance with applicable welfare standards and the Five Freedoms at nomination (audits, certifications, or monitoring), including animal-appropriate handling, minimised transport, and farm/abattoir audits. Potential violations are thoroughly investigated and can be reported via the Business Practices Office (BPO) whistleblowing system.

Environmental and Social Standards in the Tanning Stage

To mitigate environmental and social risks in tanning, Mercedes-Benz has required Leather Working Group (LWG) Gold level audits for all sourcing decisions since 2022. This ensures strict controls over water, energy, and chemical use, emissions, worker safety, and social compliance.

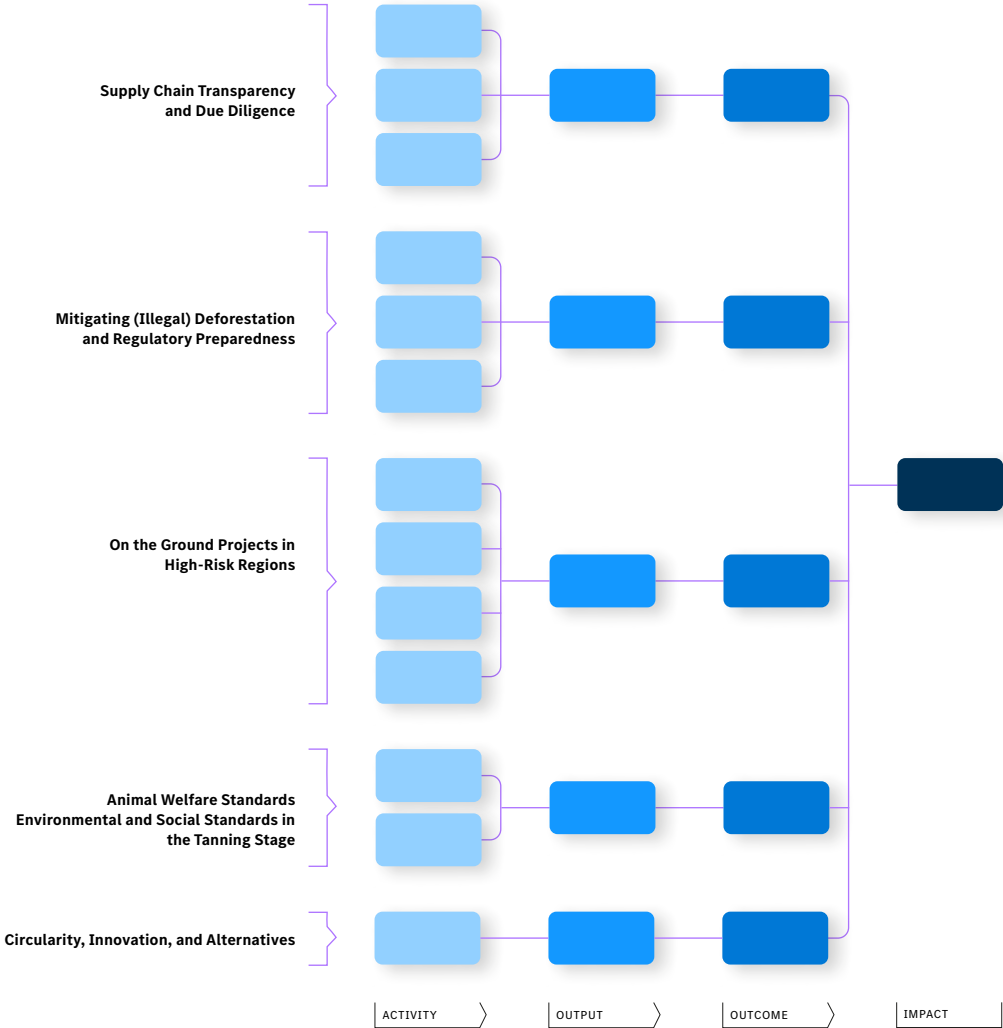
Results:

- 100% of tier-1 suppliers are LWG audited
- Over 80% of tanneries meet the LWG Gold standard

Circularity, Innovation, and Alternatives

Mercedes-Benz strengthens circularity by using hides as by-products of the meat industry and reducing environmental impacts across tanning. Key measures involve:

- Expanding plant-based and organic mineral tanning (e.g., coffee husks, chestnut extract) and reducing chrome use where technically possible and appropriate, supported by direct supplier reporting
- Requiring LCAs from suppliers to identify and reduce CO₂ hotspots
- Increasing the share of renewable and recycled raw materials
- Developing high-quality, animal-free materials from renewable or recycled sources that match leather in look, feel, durability, and ageing at lower CO₂ levels
- Several model lines already offer fully leather-free interiors

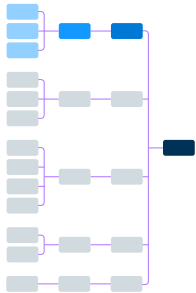


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Mercedes-Benz
Risk Mitigation Strategy
for Leather

Supply Chain Transparency and
Due Diligence

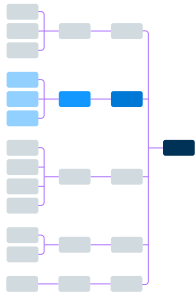


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Mercedes-Benz
Risk Mitigation Strategy
for Leather

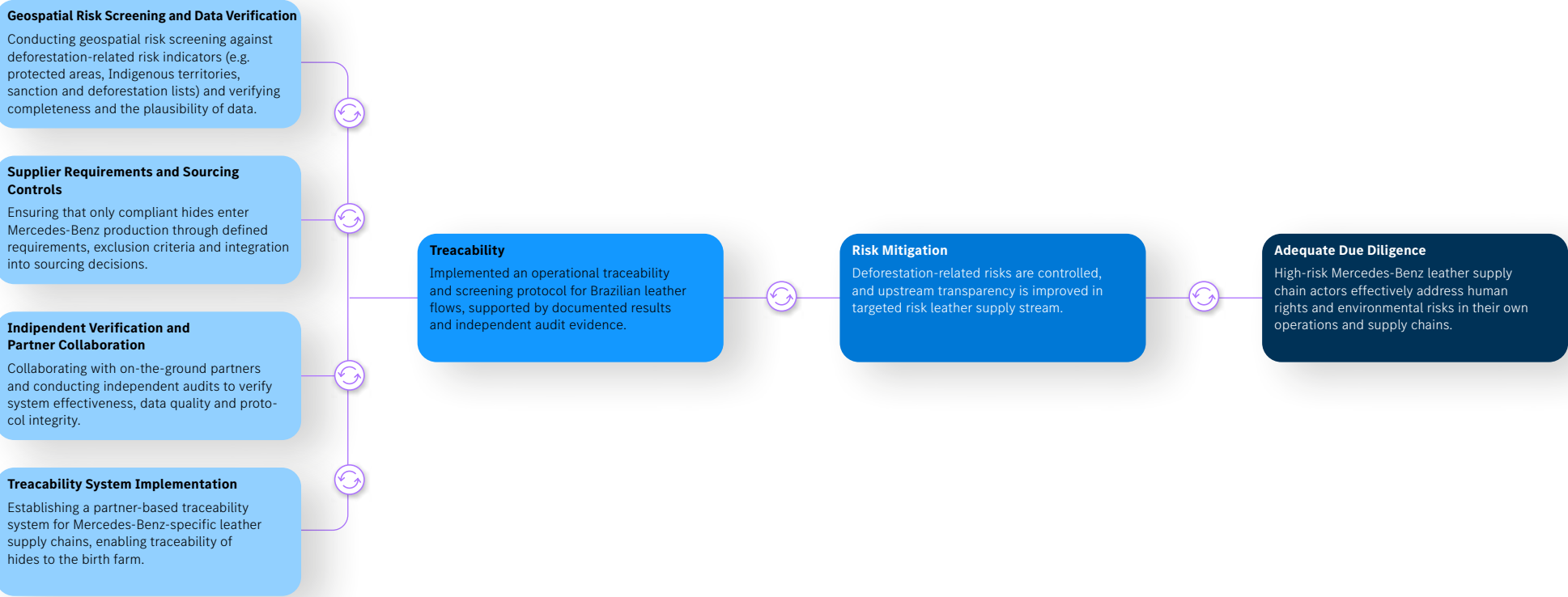
Mitigating (Illegal) Deforestation
and Regulatory Preparedness



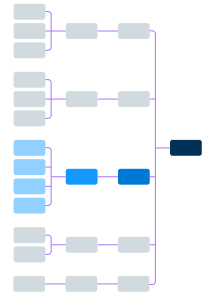
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On the Ground Projects in High-Risk Regions



Mercedes-Benz Risk Mitigation Strategy for Leather



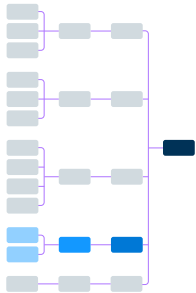
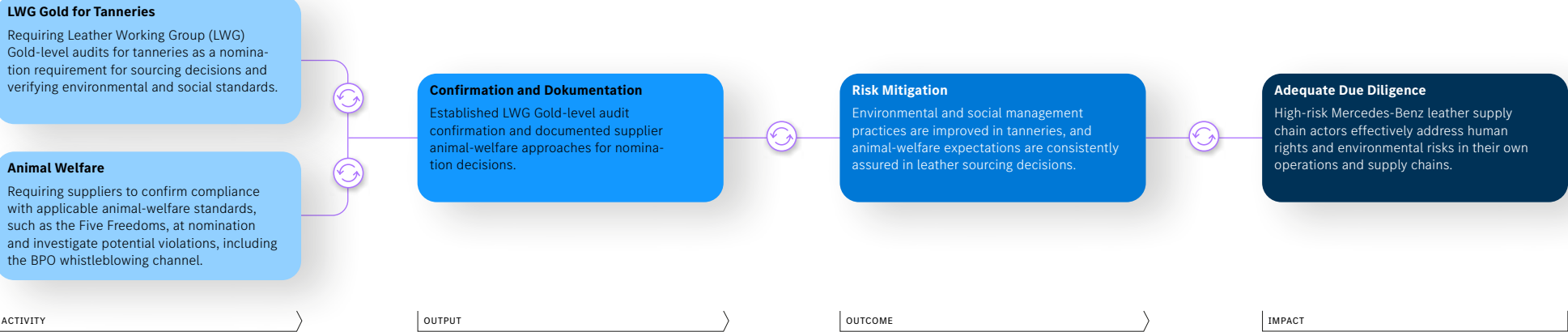
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Mercedes-Benz
Risk Mitigation Strategy
for Leather

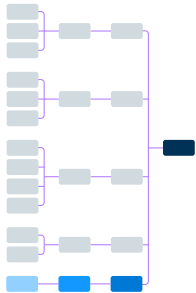
Animal Welfare Standards
Environmental and Social Standards in
the Tanning Stage



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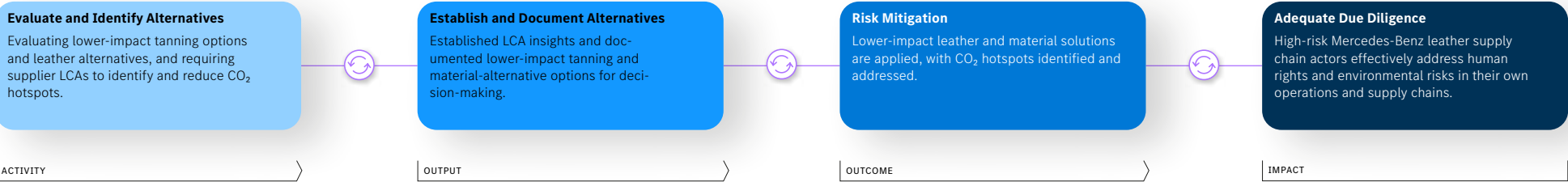


Mercedes-Benz
Risk Mitigation Strategy
for Leather



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Circularity, Innovation, and
Alternatives



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Mercedes-Benz Risk Mitigation Strategy for Lithium

Effective Standards

Standards hold significant potential to identify risks, induce, and monitor continuous improvement as well as to support downstream manufacturers in effective due diligence management in supply chains. Mercedes-Benz is committed to improve existing standards by contributing to the development of standard systems that are effective in terms of governance, audit processes, and address risk areas effectively through best practice standard requirements, such as through our standard guidance ([↗Guidance: Mining and Supply Chain Standards | MBSP 2.0](#)).

Supply Chain Due Diligence and Transparency

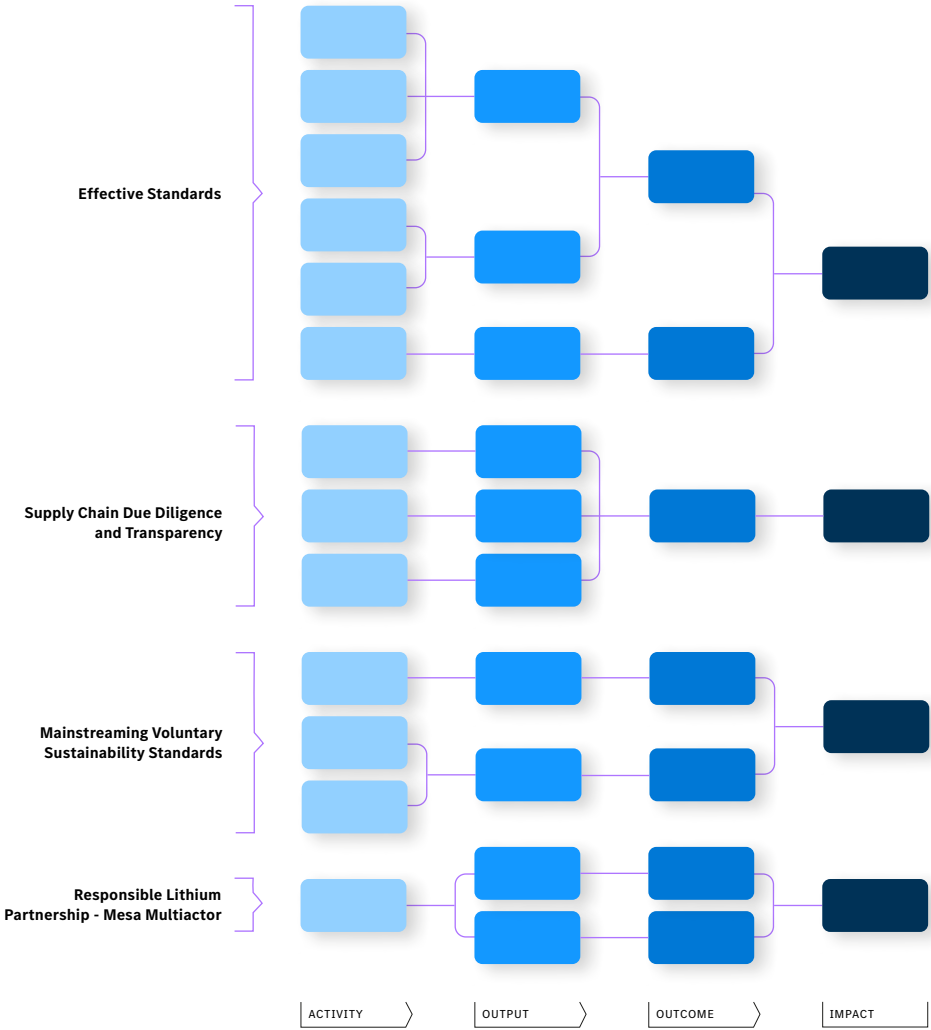
Transparency on high-risk actors and hotspots in the supply chain is key when it comes to enhancing due diligence measures in the supply chain. Over the last years, Mercedes-Benz has intensively looked at the battery supply chains from cell suppliers to mine sites. To improve their due diligence measures, Mercedes-Benz audits them against international standards, provide trainings as well as corrective action plans to better their performance step by step.

Mainstreaming Voluntary Sustainability Standards

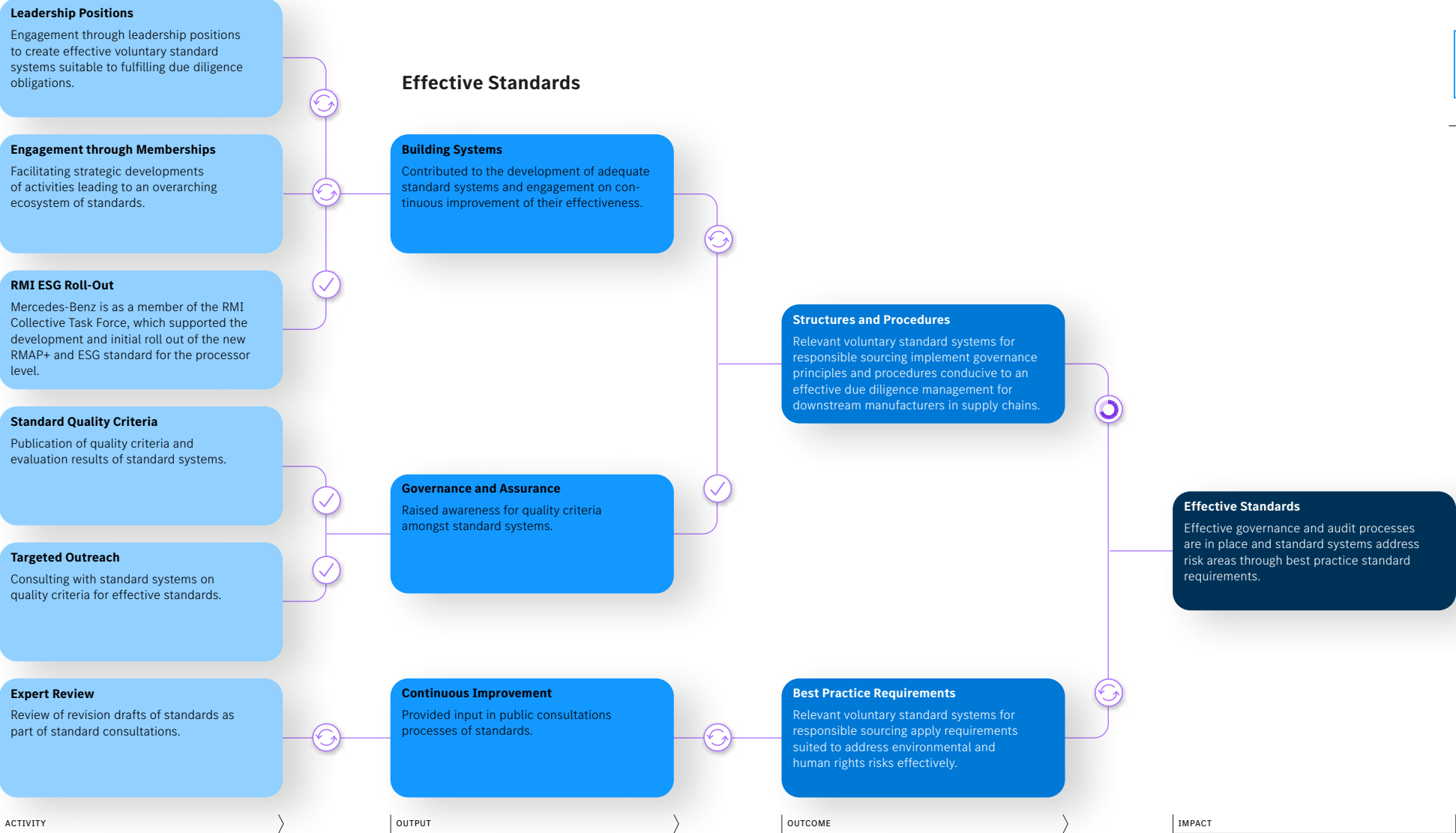
Demand is the strongest driver for the uptake of standards in raw material supply chains. To increase demand, Mercedes-Benz publicly promotes the value of effective voluntary standards to key stakeholder groups, and continuously introduces awarding premises on mining level (such as IRMA or equivalent) as well as adequate standards on refiner level. The goal is to apply these awarding requirements in all of our sourcing activities of focus commodities.

Responsible Lithium Partnership - Mesa Multiactor

Our raw material assessment identified the need for heightened due diligence in Chile and for creating a space for dialogue among affected stakeholders and rights holders in the critical lithium mining region of the Salar de Atacama. In response, the Responsible Lithium Partnership was initiated together with several other companies and has been successfully concluded In 2025 the Mesa Multiactor focused on advancing responsible water management in the Salar de Atacama, fostering dialogue, building trust among local stakeholders, and generating and consolidating scientific evidence. Through this collaborative approach, the partnership contributed to a better common understanding of local impacts and supported the development of collective approaches to reduce negative environmental and social effects.

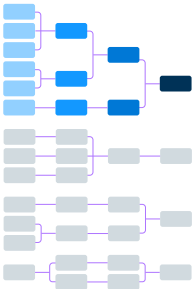


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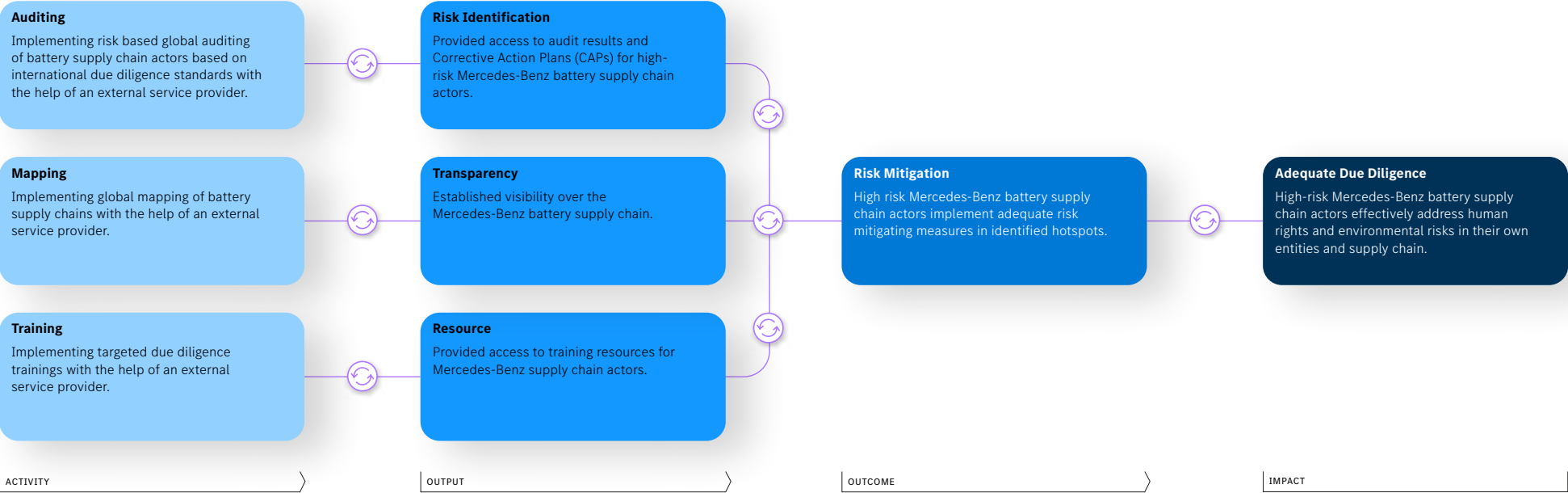
Mercedes-Benz
Risk Mitigation Strategy
for Lithium



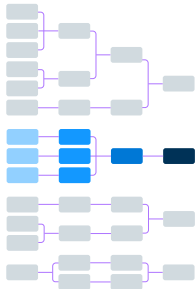
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Supply Chain Due Diligence and Transparency



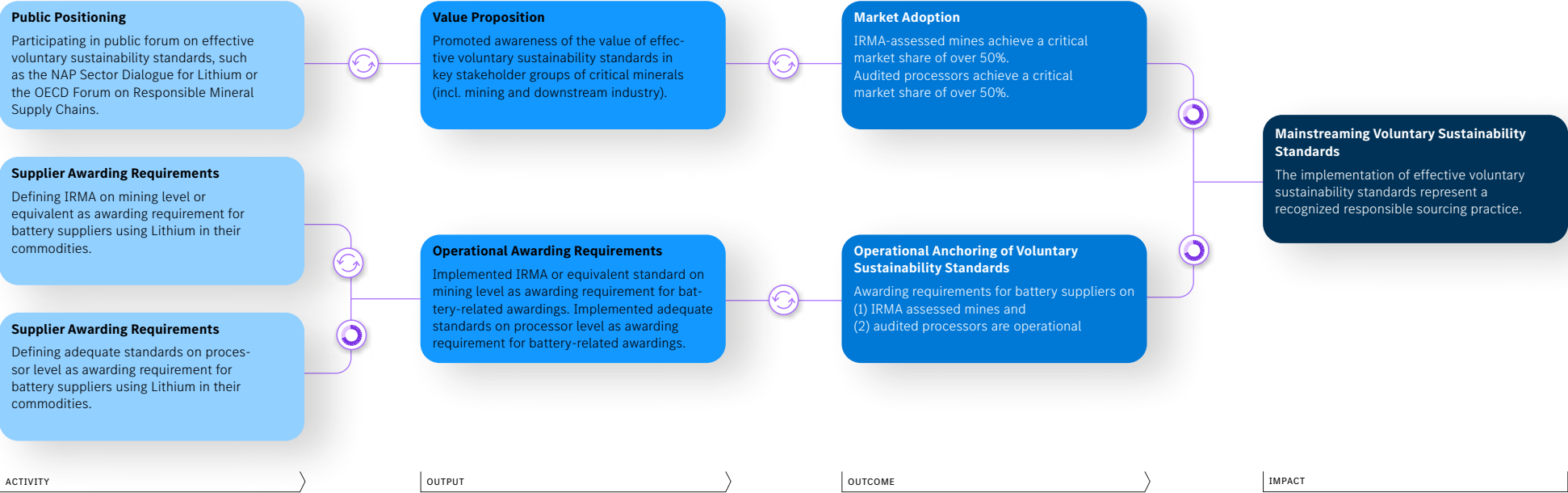
Mercedes-Benz
Risk Mitigation Strategy
for Lithium



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Mainstreaming Voluntary Sustainability Standards



Mercedes-Benz
Risk Mitigation Strategy
for Lithium

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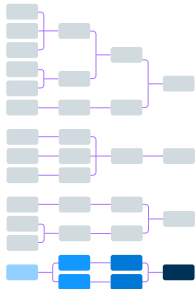
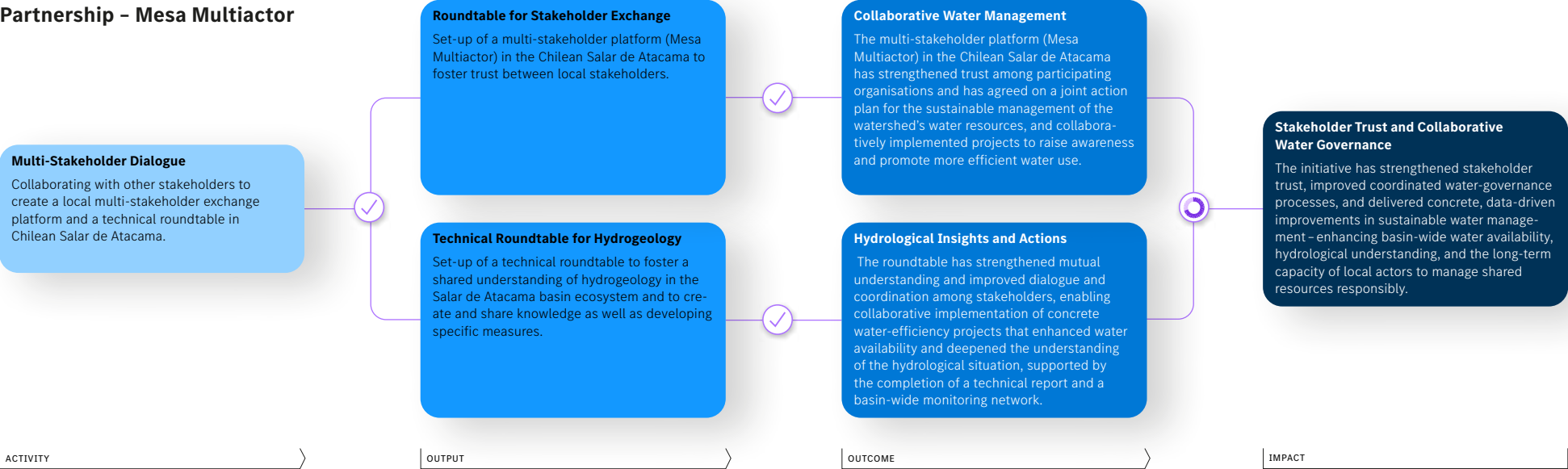
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Mercedes-Benz
Risk Mitigation Strategy
for Lithium

Responsible Lithium
Partnership – Mesa Multiactor



- in progress
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Mercedes-Benz Risk Mitigation Strategy for Mica

Supply Chain Due Diligence and Transparency

Mercedes-Benz applies a risk-based due diligence system aligned with its Responsible Sourcing Standards. In high-risk regions, suppliers are contractually required to commit to an independent Workplace Standard audit prior to awarding, with verification completed by start of production. To strengthen upstream visibility, tier-1 suppliers must disclose sourcing information prior to awarding and provide verifiable upstream transparency documentation. Where the risk profile warrants it, Mercedes-Benz commissions independent supply chain mapping to identify processors, intermediary structures and upstream bottlenecks. Complementing these expectations, suppliers may source mica only from RMAP-conformant or OECD-aligned processors and must provide EMRT evidence upon request. Internal due diligence systems regularly assess supplier performance and inform targeted follow-up.

On the Ground Projects: Empowering Mining Communities in High-Risk Regions

(→ [Spotlight India and Madagascar](#))

Mercedes-Benz supports community-level projects in India and Madagascar via RMI programmes and partner projects: In 2025, RMI partners reached more than 6,000 people, including over 1,280 newly enrolled children, and expanded OHS training and PPE distribution at ASM sites while strengthening audit and processor-level compliance.

In Jharkhand (India), Terre des Hommes delivered documented results across 30 villages: 285 children (re-)enrolled in school, 1,264 children accessing early-childhood education, and 672 families increasing household income.

For Madagascar, Mercedes-Benz and industry partners identified mining locations and project partners where concrete measures will be implemented in 2026 to improve working and living conditions in ASM communities.



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Mercedes-Benz Risk Mitigation Strategy for Mica

Sector Collaboration [↗RMI](#)

Mercedes-Benz is an active member of the Responsible Mica Initiative (RMI), contributing to sector-wide efforts focusing on topics like traceability, community empowerment, legal framework promotion, and standards. These include the Global Workplace ESG and Due Diligence Standard for Mica Processors, which defines expectations for e.g. occupational health and safety (OHS), labour right, and upstream transparency. In Madagascar, the Mica CRAFT RMI pilot supports ASM formalization, including the formalization of six mining groups in 2025.

Mainstreaming Voluntary Sustainability Standards

Demand is the strongest driver for the uptake of standards in raw material supply chains. To increase demand, Mercedes-Benz publicly promotes the value of effective voluntary standards to key stakeholder groups, and continuously introduces awarding premises on mining level as well as adequate standards on processor level.

Effective Standards

Standards hold significant potential to identify risks, induce, and monitor continuous improvement as well as to support downstream manufacturers in effective due diligence management in supply chains. Mercedes-Benz is committed to improve existing standards by contributing to the development of standard systems that are effective in terms of governance, audit processes, and address risk areas effectively through best practice standard requirements, such as through our standard guidance [↗Guidance: Mining and Supply Chain Standards | MBSP 2.0](#).

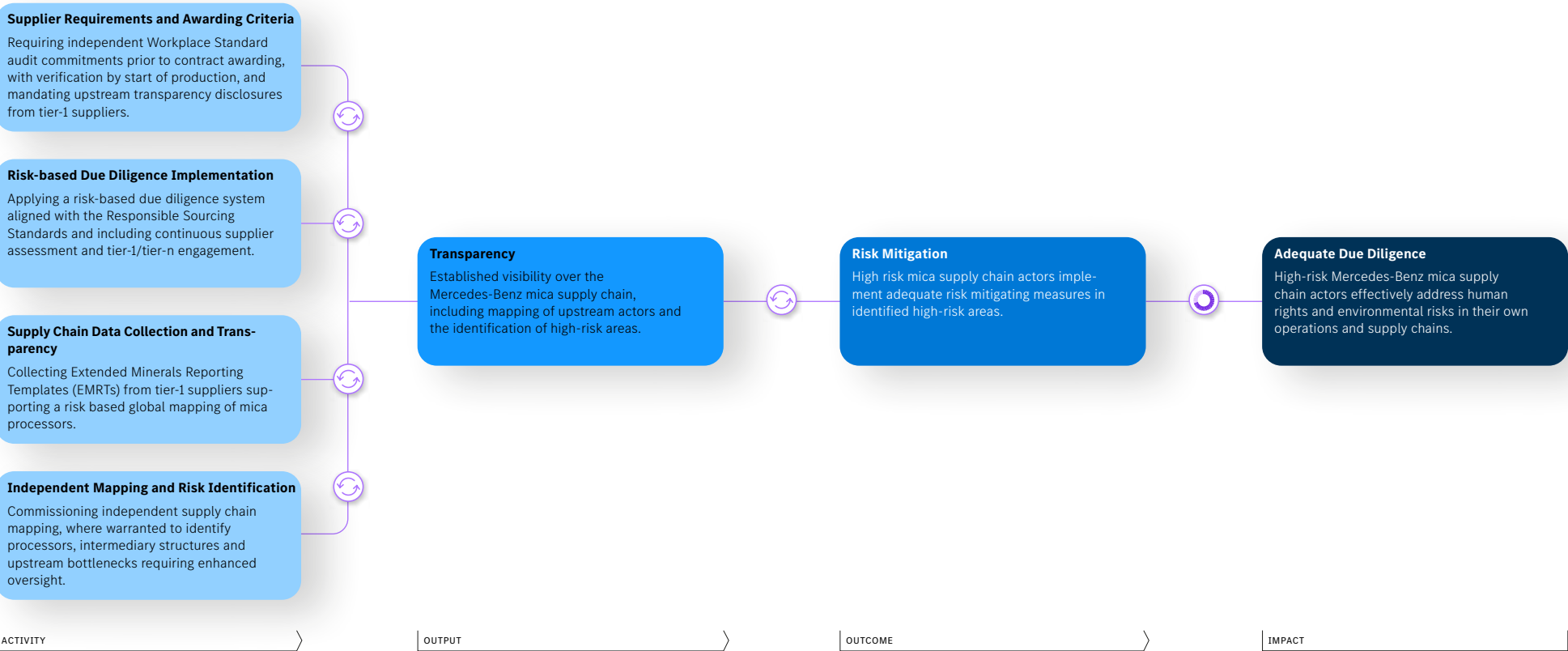
Responsible Management of ASM

Mercedes-Benz applies a cross-material ASM approach where ASM risks may be present. This includes internal guidance to ensure consistent decision-making and communication, and ASM specific expectations embedded in due diligence requirements. It is complemented by exchanges with suppliers, affected stakeholders and peers to raise awareness as well as through identification of high-risk suppliers and planned capacity-building. For more information on our ASM activities, see [↗ASM](#).



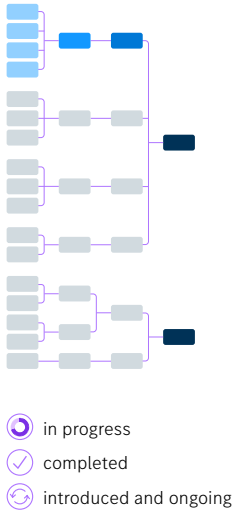
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Supply Chain Due Diligence and Transparency





Mercedes-Benz
Risk Mitigation Strategy
for Mica

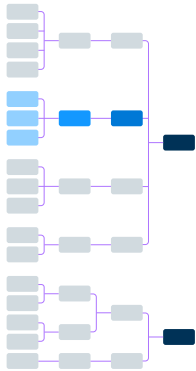


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Mercedes-Benz
Risk Mitigation Strategy
for Mica

On the Ground Projects:
Empowering Mining Communities



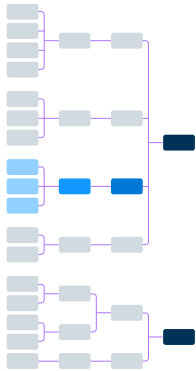
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Mercedes-Benz
Risk Mitigation Strategy
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Sector Collaboration



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Mercedes-Benz
Risk Mitigation Strategy
for Mica

Mainstreaming Voluntary
Sustainability Standards

Awarding Requirements for Mica Processors

Defining due diligence awarding requirement at processor level based on RMI RMAP or equivalent OECD-aligned standard for suppliers using mica in their commodities.

Standard Development and Technical Contribution

Actively supporting standards and initiatives and contributing technical input to the RMI Global Workplace ESG and Due Diligence Standard for Mica Processors.

Standard-aligned Awarding Requirements

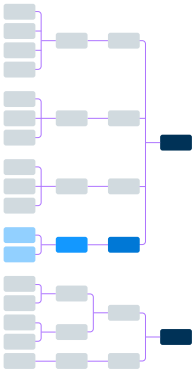
Awarding requirements for mica-containing commodities are aligned with applicable standards and communicated to tier-1 suppliers.

Risk Mitigation

Tier-1 suppliers apply processor-level standards as awarding requirements, strengthening demand for independently audited mica processors.

Adequate Due Diligence

High-risk Mercedes-Benz mica supply chain actors effectively address human rights and environmental risks in their own operations and supply chains.



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ACTIVITY

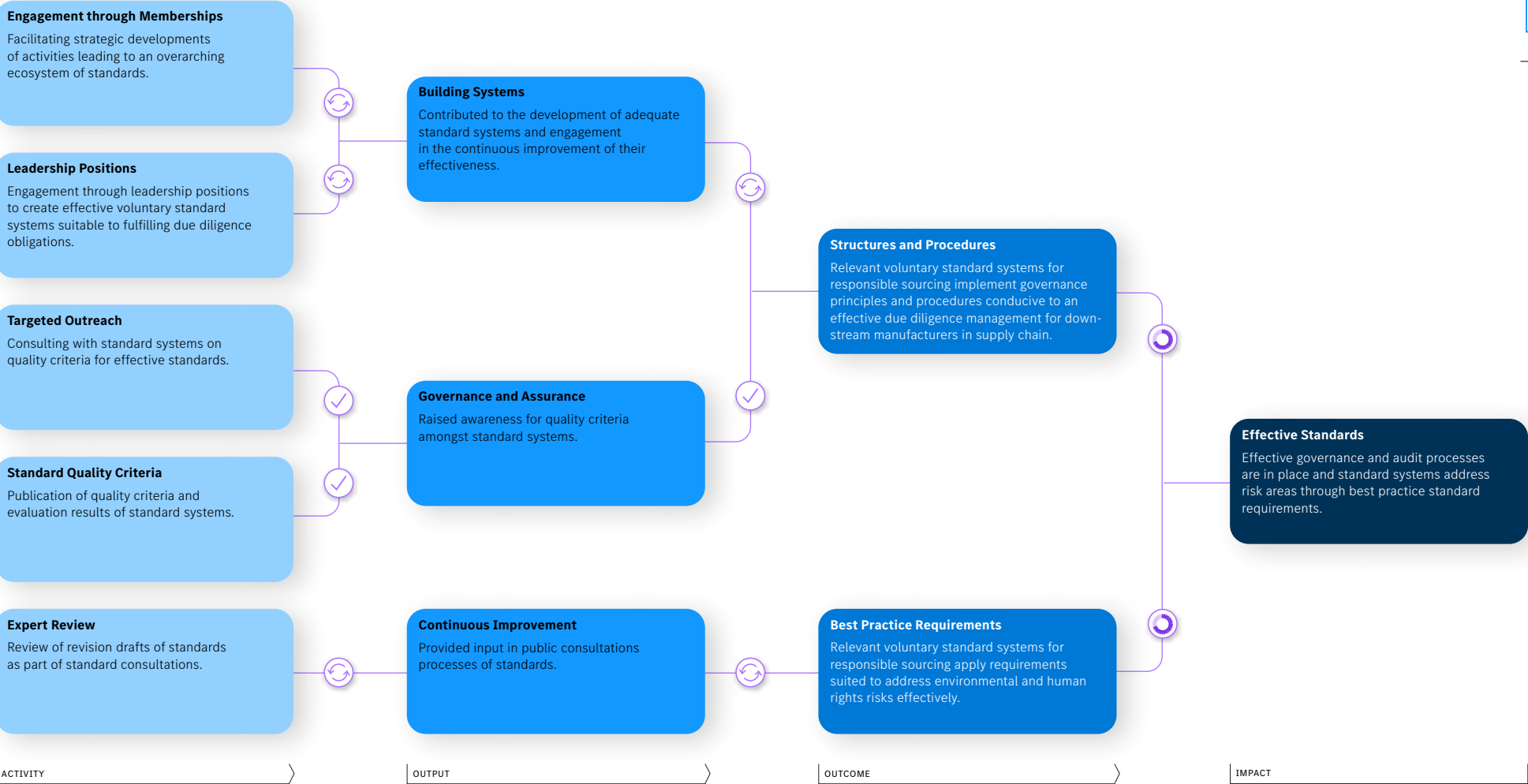
OUTPUT

OUTCOME

IMPACT

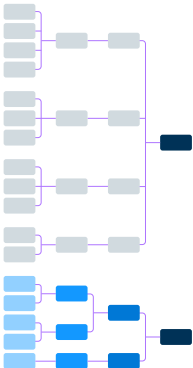
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Effective Standards





Mercedes-Benz
Risk Mitigation Strategy
for Mica



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Mercedes-Benz Risk Mitigation Strategy for Nickel

Effective Standards

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Mainstreaming Voluntary Sustainability Standards

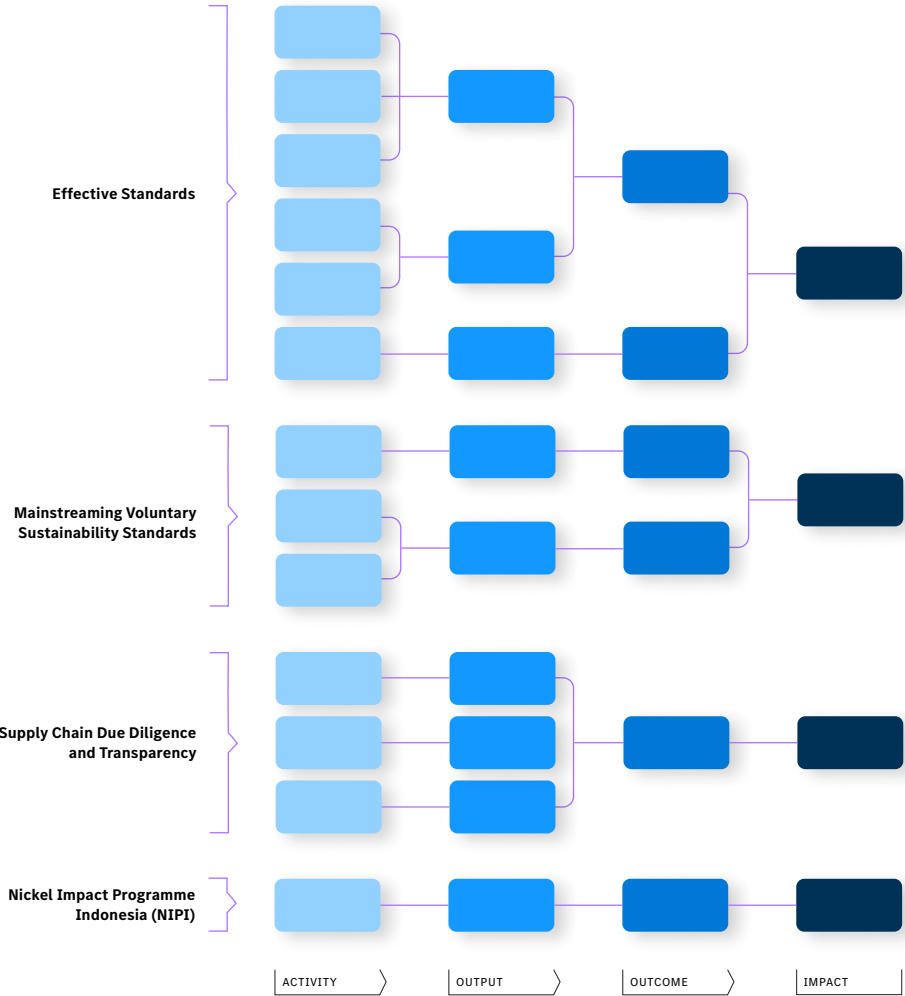
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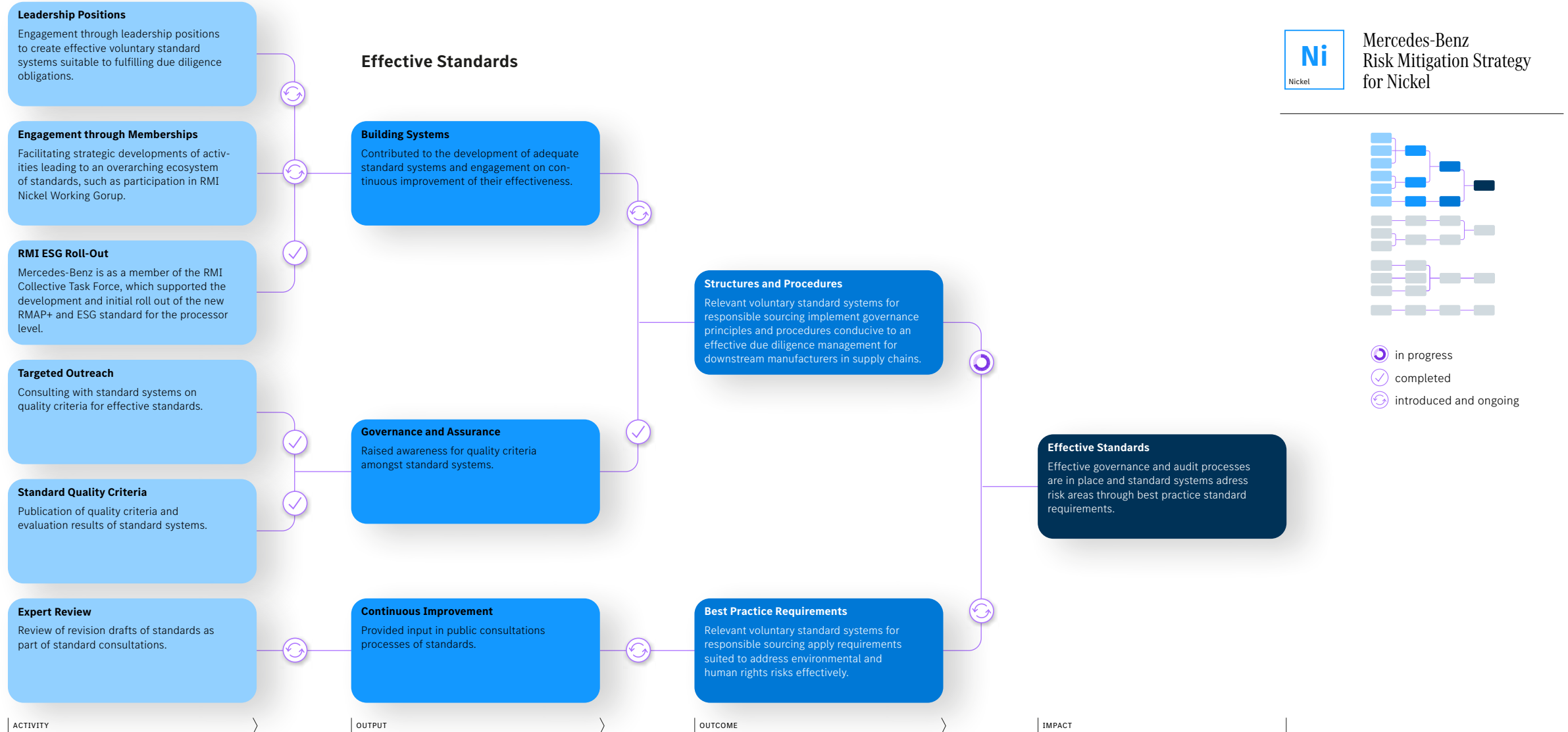
Supply Chain Due Diligence and Transparency

Transparency on high-risk actors and hotspots in the supply chain is key when it comes to enhancing due diligence measures in the supply chain. Over the last years, Mercedes-Benz has intensively looked at its battery supply chains. From cell suppliers until the mine sites. To improve their due diligence measures, Mercedes-Benz audits them against international standards, provides training as well as corrective action plans.

Nickel Impact Programme Indonesia (NIPI)

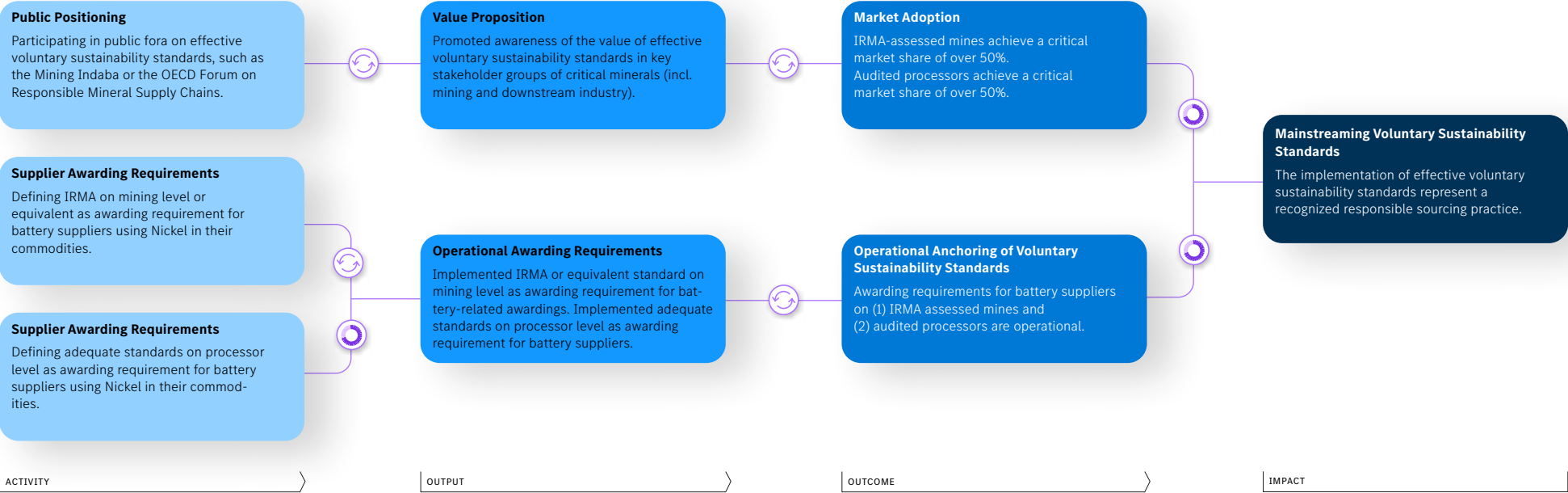
Currently mining and processing in Indonesia is associated with negative social and environmental impacts. However, Indonesia has become an integral part of nickel supply chains and will continue to grow in importance in the coming years. Following our approach of empowerment before withdrawal, Mercedes-Benz set up the Nickel Impact Programme in Indonesia (NIPI) to address and reduce risks of nickel production on the island of Halmahera in Eastern Indonesia.





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Mainstreaming Voluntary Sustainability Standards



Mercedes-Benz
Risk Mitigation Strategy
for Nickel

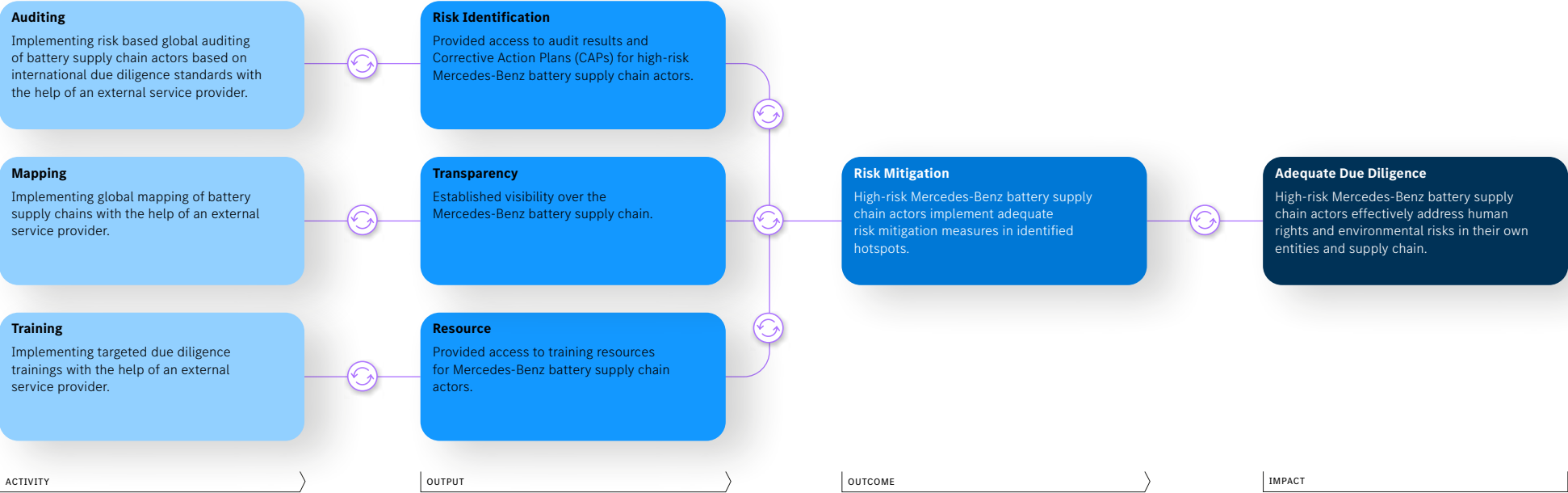
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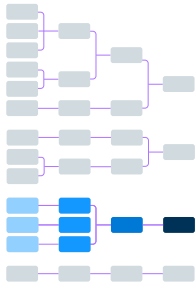
introduced and ongoing

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Supply Chain Due Diligence and Transparency



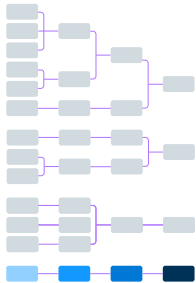
Mercedes-Benz
Risk Mitigation Strategy
for Nickel



-  in progress
-  completed
-  introduced and ongoing

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Mercedes-Benz
Risk Mitigation Strategy
for Nickel



-  in progress
-  completed
-  introduced and ongoing

Nickel Impact Programme
Indonesia (NIPI)

Nickel Impact Programme Indonesia (NIPI)
Setting up of collective action project in Weda Bay region. Identifying concrete workstreams and targeting communities.



NIPI Roll-Out
Successful start of NIPI. Identified working areas: Improvement of community health, access to safe drinking water, and restoration strategies for marine biodiversity. 10 communities selected.



Community Health and Marine Biodiversity
Community health improves and people have access to safe drinking water in 10 selected communities. Restoration strategy for improvement of marine biodiversity is implemented.



Risk Mitigation in Weleday Bay
Community-prioritized impacts from nickel mining and processing in the Weda Bay area are reduced.

ACTIVITY

OUTPUT

OUTCOME

IMPACT

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Pt

Platinum

Pd

Palladium

Rh

Rhodium

Mercedes-Benz Risk Mitigation Strategy for PGMs

Effective Standards

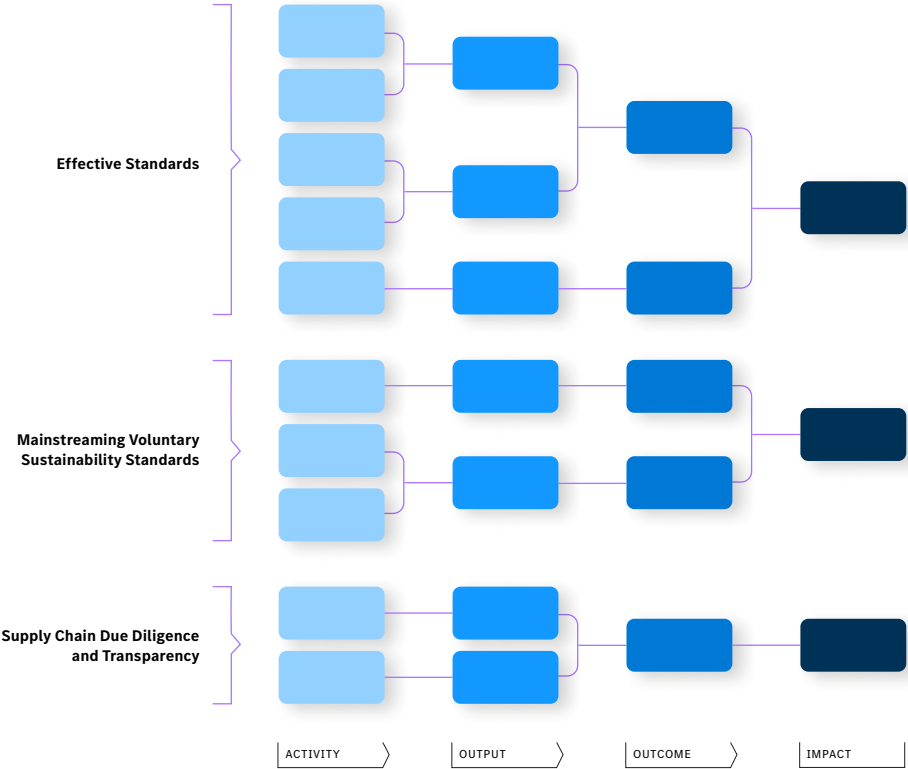
Mining standards hold significant potential to identify risks, induce, and monitor continuous improvements. The PGM industry is committed to implementing the standard of the Initiative for Responsible Mining Assurance (IRMA) on a broad scale. IRMA fulfils the quality criteria Mercedes-Benz has defined in our Standards Guidance ([➤ Guidance: Mining and Supply Chain Standards | MBSP 2.0](#)). The civil society engagement around the Unki mine audit process in Zimbabwe is a lighthouse example for the potential momentum standard processes are able to ignite.

Mainstreaming Voluntary Sustainability Standards

Demand is the strongest driver for the uptake of standards in raw material supply chains. Mercedes-Benz has therefore introduced awarding premises for IRMA audited mines achieving at least IRMA 50.

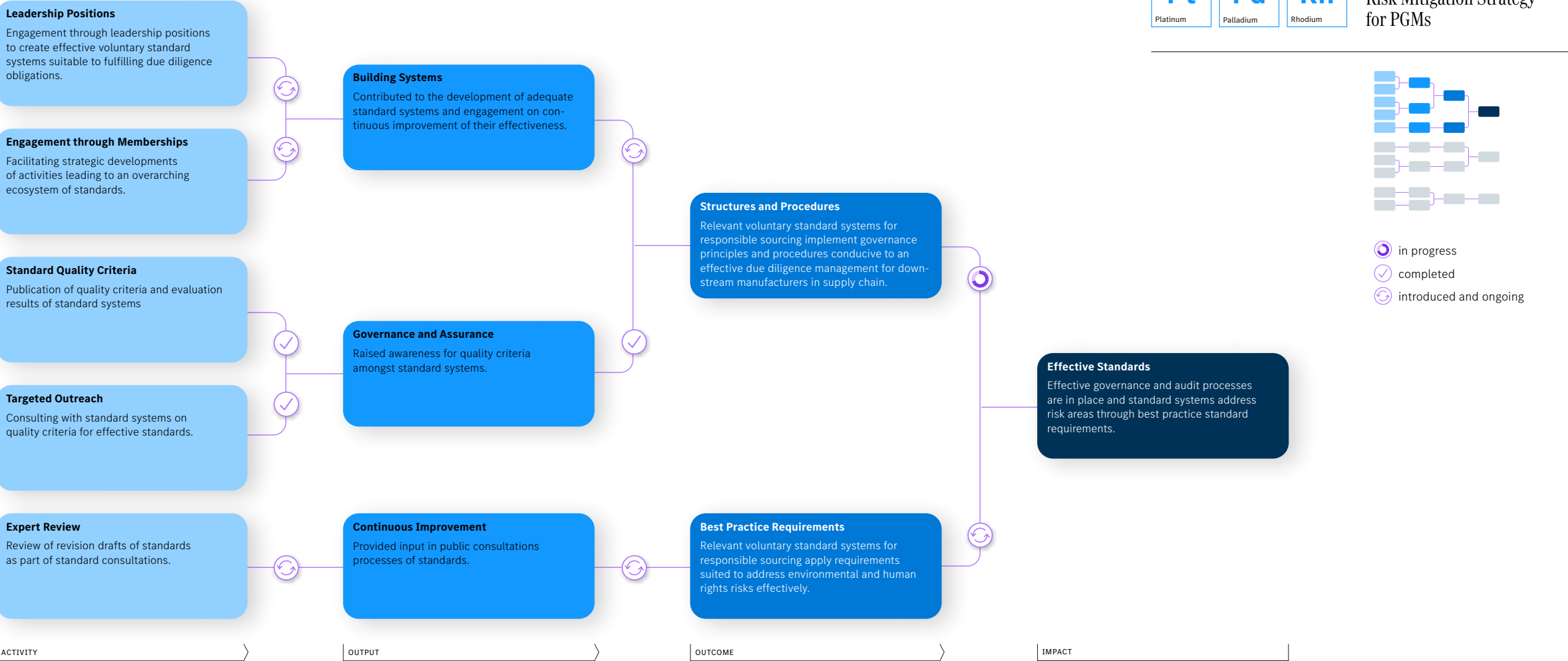
Supply Chain Due Diligence and Transparency

With chronic conflict and reoccurring violence likely to remain a risk, it is of utmost importance to have adequate due diligence management systems in place. Mercedes-Benz has therefore introduced a new requirement to source exclusively from suppliers that have obtained a responsible sourcing certificate through the London Platinum and Palladium Market (LPPM).



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Effective Standards



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Pt

Platinum

Pd

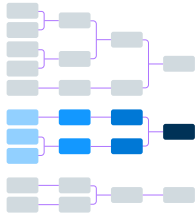
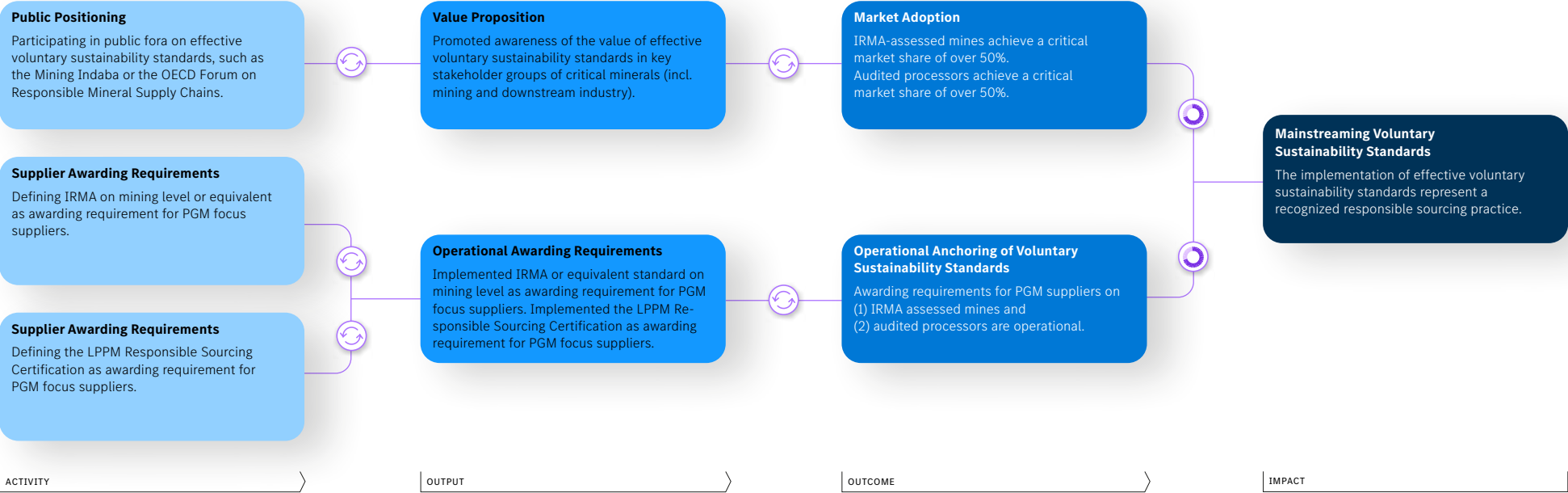
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Mercedes-Benz
Risk Mitigation Strategy
for PGMs

Mainstreaming Voluntary Sustainability Standards



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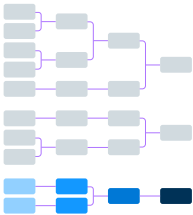
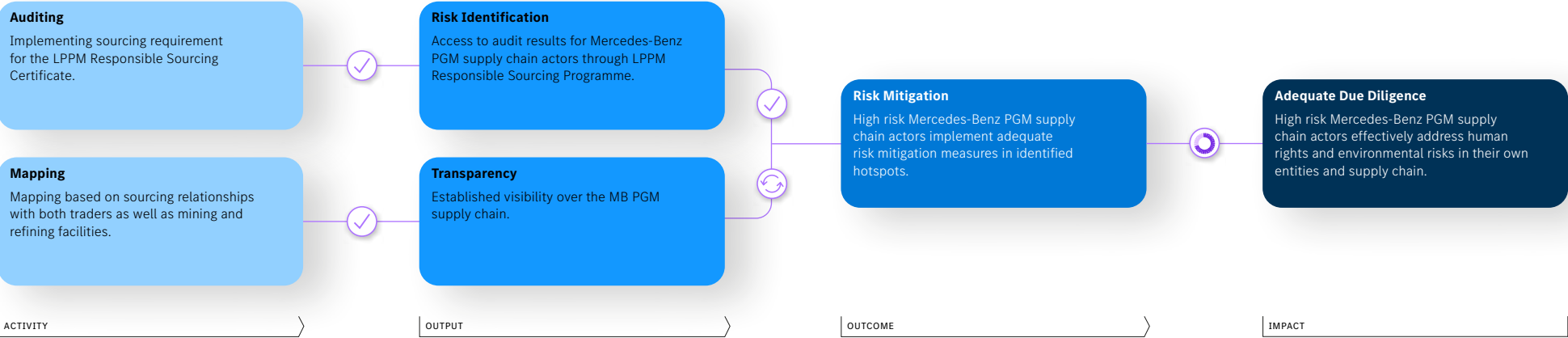
Pt
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Rhodium

Mercedes-Benz
Risk Mitigation Strategy
for PGMs

Supply Chain Due Diligence
and Transparency



- in progress
- completed
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Mercedes-Benz Risk Mitigation Strategy for Rubber

Supply Chain Due Diligence and Transparency

Mercedes-Benz applies a risk-based due diligence system across natural rubber supply chains relevant to its focus parts, aligned with its Responsible Sourcing Standards. Tier-1 suppliers are required to disclose detailed upstream information via a mandatory supply chain-tracking tool that covers plantation regions. These requirements are contractually binding and assessed through documentation reviews, AI-supported risk-screening processes, and continuous engagement with tier-1 as well as deeper tier-n suppliers.

Mitigating (Illegal) Deforestation and Regulatory Preparedness

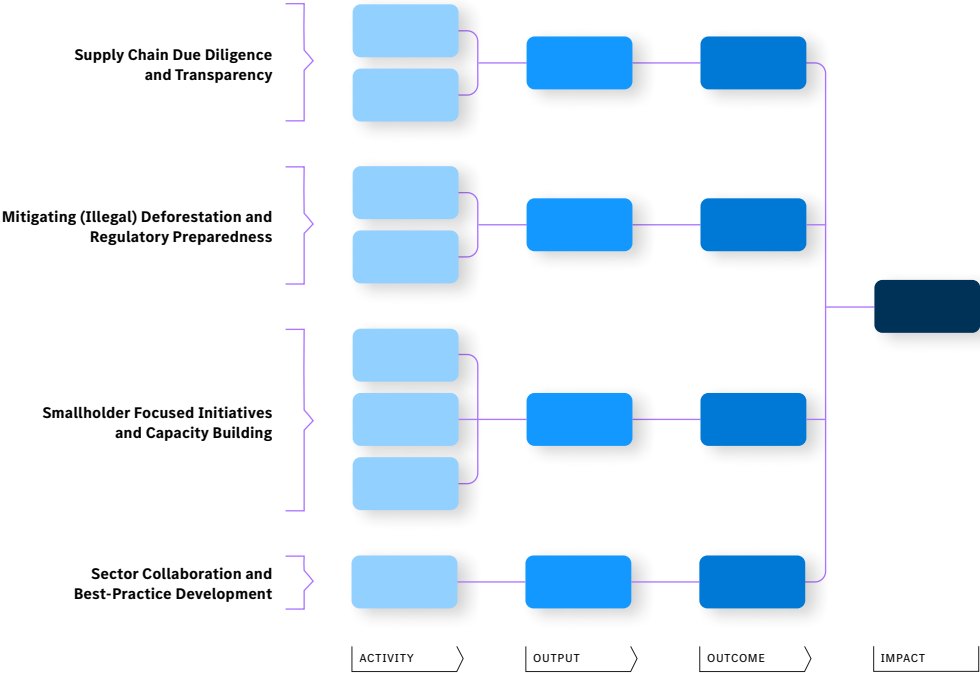
Deforestation is a material sustainability risk in natural rubber-based supply chains. Under Mercedes-Benz’ RSS (Responsible Sourcing Standards), suppliers must ensure prevention of illegal deforestation and implement appropriate upstream due diligence measures across their supply chains. Well ahead of the EU Deforestation Regulation (EUDR, effective December 2026), Mercedes-Benz has implemented and continues to strengthen core due diligence elements. For EUDR readiness, Mercedes-Benz uses an IT-enabled due diligence tool to collect batch-level origin and geolocation data and conduct geospatial screening, enabling verification of regulatory compliance and deforestation-free sourcing for all parts identified as EUDR-relevant.

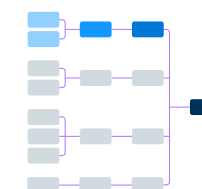
Smallholder Focused Initiatives and Capacity Building

Smallholder-related risk mitigation is embedded as a supplier expectation in line with the RSS. Given that most global natural rubber is produced by smallholders who face structural vulnerabilities, Mercedes-Benz is preparing targeted measures (from 2026 onwards) aimed at strengthening livelihoods, building resilience, and reducing human rights and environmental risks in defined priority contexts.

Sector Collaboration and Best-Practice Development

Mercedes-Benz is a member of the [Global Platform for Sustainable Natural Rubber \(GPSNR\)](#), contributing to sector-wide efforts and alignment with global best practices for responsible natural rubber.



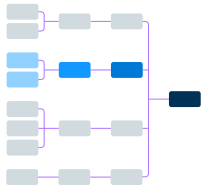


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-  introduced and ongoing

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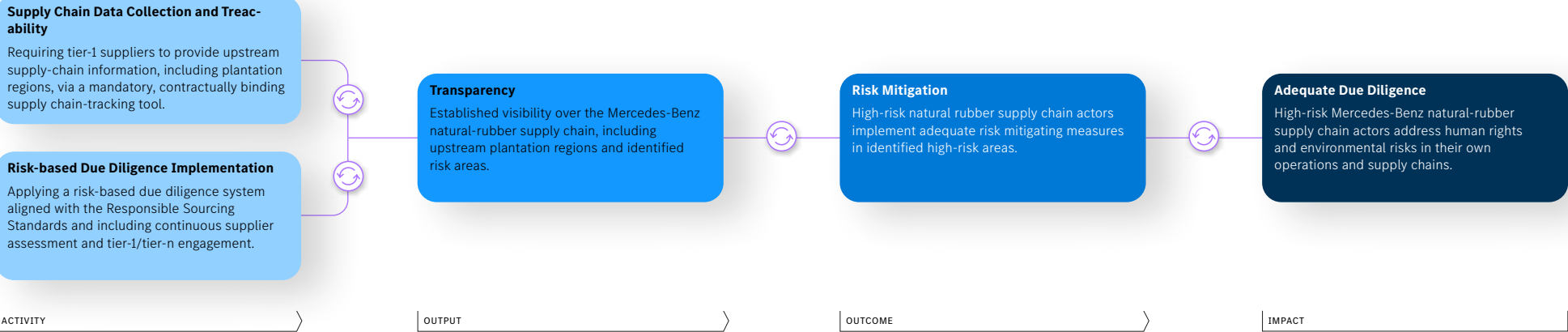


Mercedes-Benz
Risk Mitigation Strategy
for Rubber



- in progress
- completed
- introduced and ongoing

Mitigating (Illegal) Deforestation
and Regulatory Preparedness



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Mercedes-Benz
Risk Mitigation Strategy
for Rubber

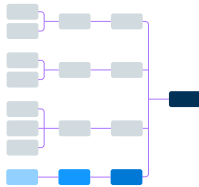
Smallholder-Focused Initiatives
and Capacity Building



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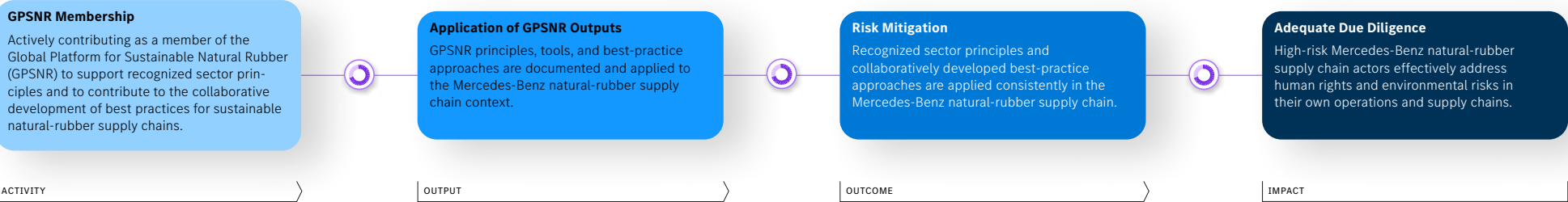


Mercedes-Benz
Risk Mitigation Strategy
for Rubber



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Sector Collaboration and
Best-Practice Development



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Mercedes-Benz Risk Mitigation Strategy for REEs

Supply Chain Due Diligence and Transparency

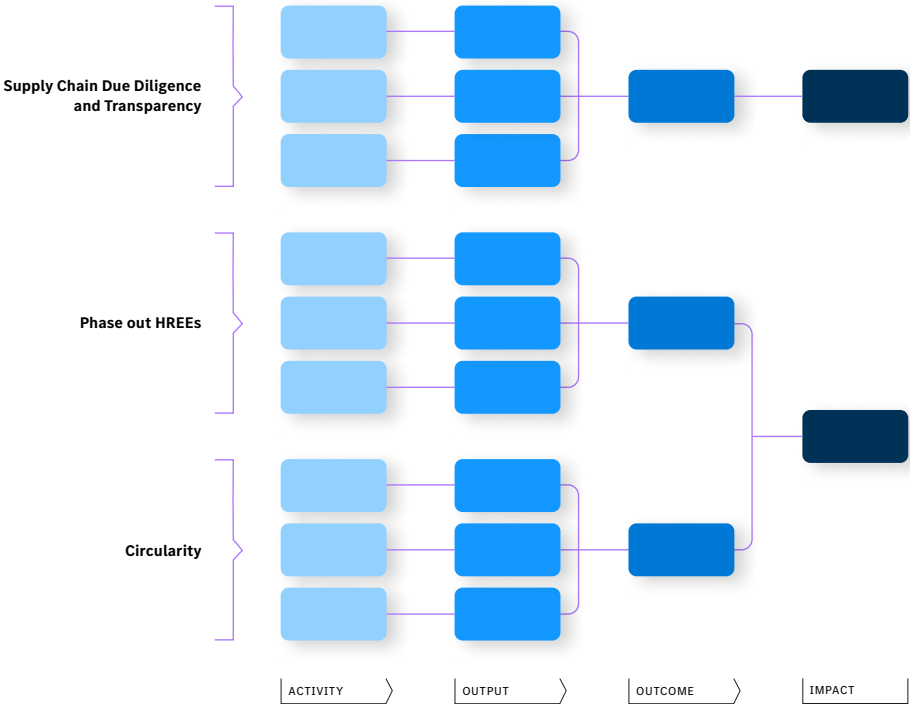
Transparency on high-risk actors and hotspots in the supply chain is key when it comes to enhancing due diligence measures in the supply chain. Mercedes-Benz is currently planning to look more intensively at specific high-risk supply chains. Transparency will lay the foundation to further improve its suppliers' due diligence measures by providing trainings as well as corrective action plans to better their performance step by step.

Phase out HREEs

Technical concepts have been developed to significantly reduce the required share of HREEs in magnets in the electric motor to almost 0%.

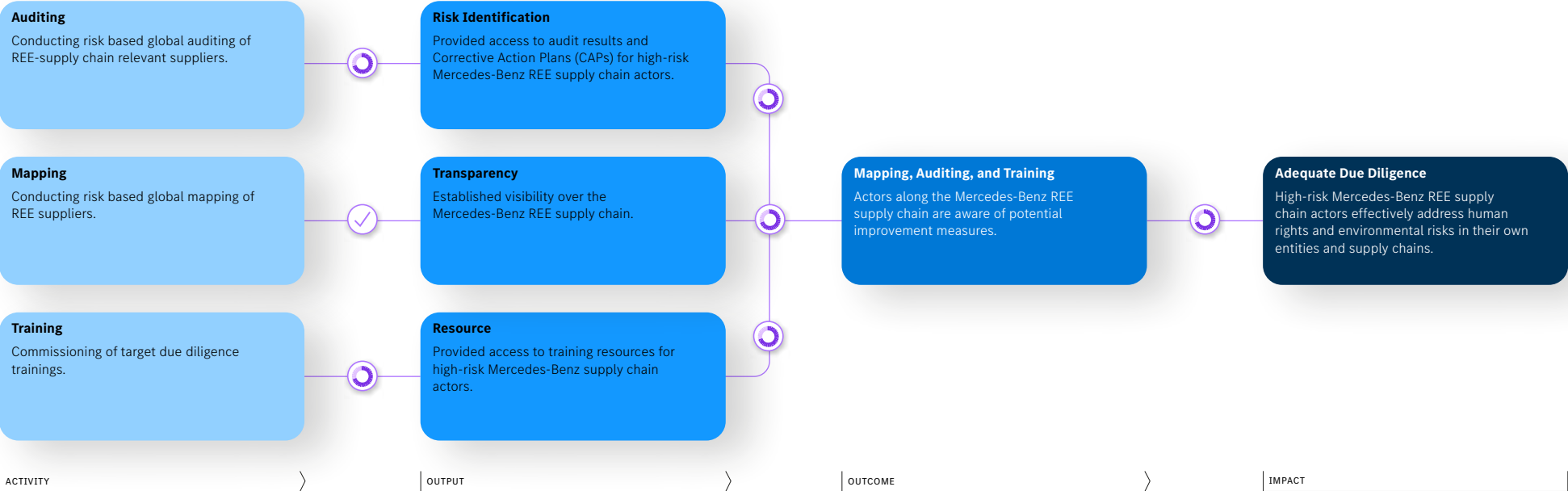
Circularity

The recycling industry for magnets is in its infancy with particular economic challenges in the dismantling of complex parts such as electric motors. Mercedes-Benz aims to design electric motors so that end-of-life magnets can be more easily dismantled and fed back into the material flow.



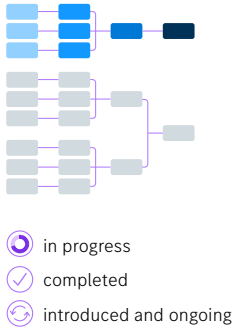
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Supply Chain Due Diligence and Transparency





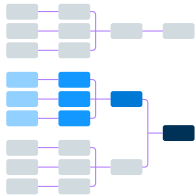
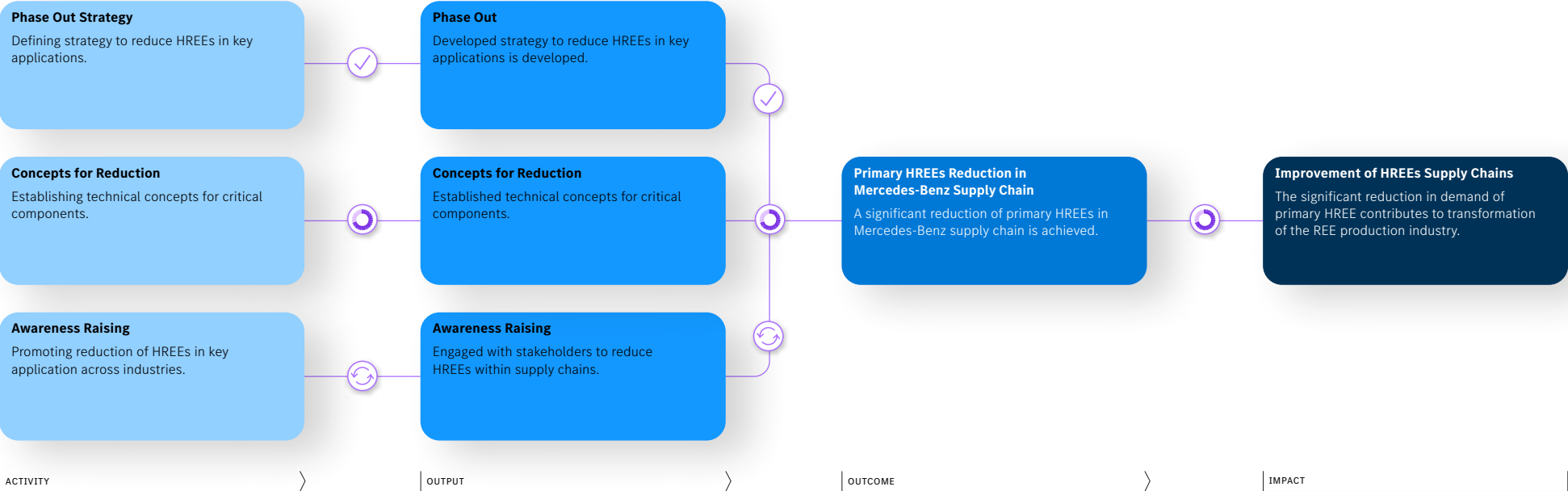
Mercedes-Benz
Risk Mitigation Strategy
for REEs



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Mercedes-Benz
Risk Mitigation Strategy
for REEs

Phase out HREEs

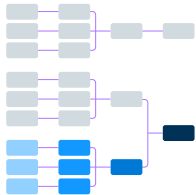
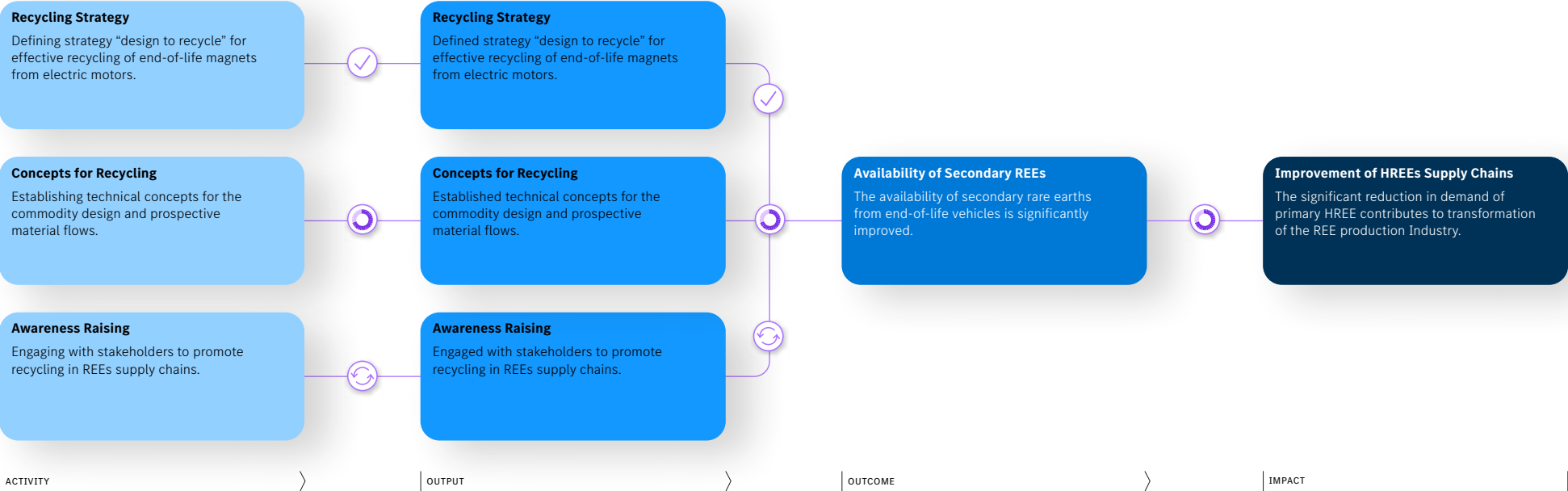


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Mercedes-Benz
Risk Mitigation Strategy
for REEs

Circularity



- in progress
- completed
- introduced and ongoing

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Mercedes-Benz Risk Mitigation Strategy for Silica Sand and Silicon

Supply Chain Due Diligence and Transparency

Mercedes-Benz aims to empower its supply chains through targeted analyses of local silica sand supply chains and by supporting selected key component suppliers in responsible sourcing, with a focus on environmental risk mitigation.

Best Practice Developments

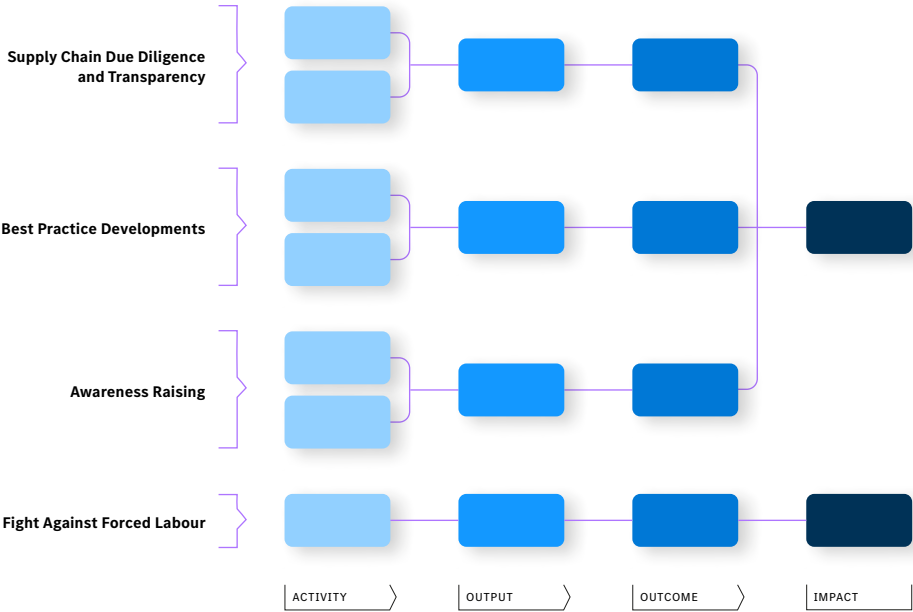
Mercedes-Benz seeks to play an active role in shaping responsible sourcing guidance in the silica sand supply chains by participating in public consultations and multi-stakeholder discussions, aiming to develop best practice guidelines that will contribute to the effective mitigation of environmental risks.

Awareness Raising

Raising awareness about environmental due diligence practices and the importance of sustainably managed sand supply chains is a topic where Mercedes-Benz contributes by informing stakeholders and other industry players on best practices to address the impacts of unregulated sand extraction via panels and expert forums.

Fight Against Forced Labour

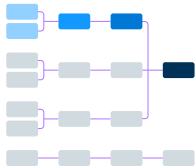
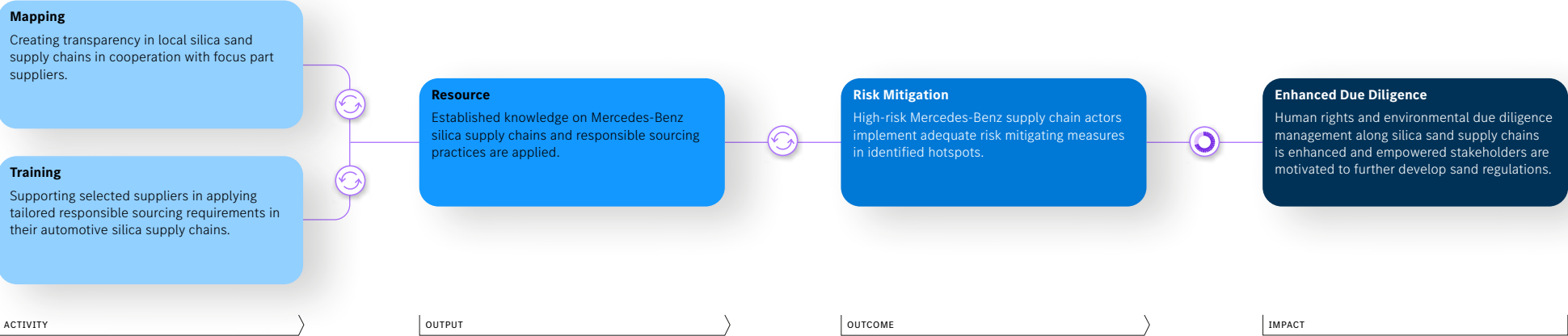
Mercedes-Benz operates according to the principle of “empowerment before withdrawal.” Mercedes-Benz believes in significantly improving the status quo rather than taking the easiest route. Therefore, instead of simply excluding suppliers when issues arise, Mercedes-Benz strives to collaborate with them to address the findings. Immediate exclusion might create the illusion of a “clean supply chain,” but it would not improve the situation for the workers and local people. Should this not be possible for various reasons, e.g. lack of cooperation and improvement in a defined timeframe or in case of state-imposed forced labour, Mercedes-Benz reserves the right to terminate business relationships with critical partners or restructure selected supply chains to eradicate forced labour in its supply chains. This approach helps Mercedes-Benz to prepare for and align with various regulatory requirements such as CSDDD and meets our own internal ethical standards.



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 Mercedes-Benz
Risk Mitigation Strategy
for Silica Sand and Silicon

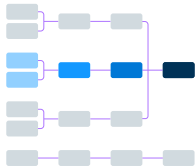
Supply Chain Due Diligence
and Transparency



-  in progress
-  completed
-  introduced and ongoing

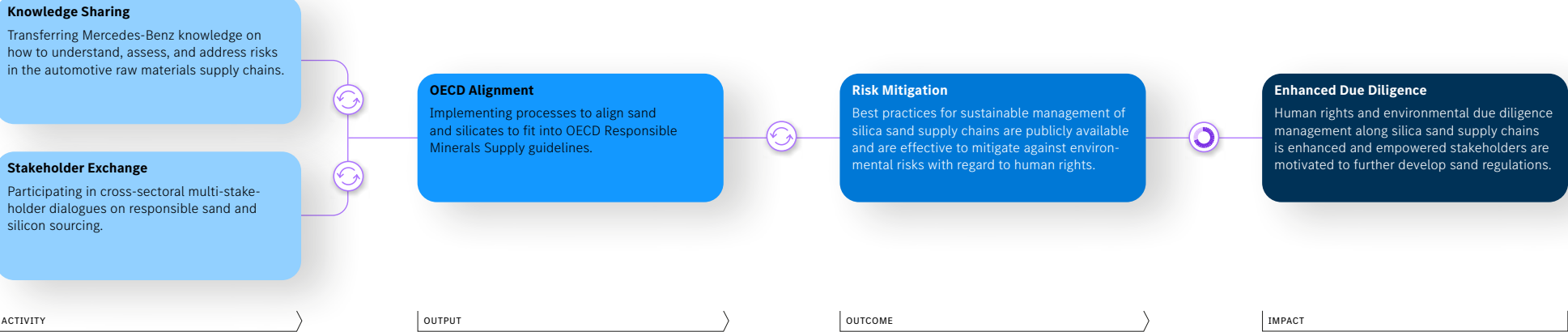
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Risk Mitigation Strategy
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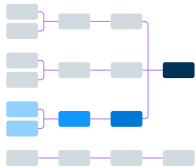
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Mercedes-Benz
Risk Mitigation Strategy
for Silica Sand and Silicon



- in progress
- completed
- introduced and ongoing

Awareness Raising

Position Paper

Publishing Position Paper on environmental due diligence, biodiversity risks, and sustainability in silica sand supply chains.

Stakeholder Exchange

Participating in discussion forums, expert conferences, and panels such as the OECD conference to raise awareness for sustainability in silica sand supply chains.

Awareness Raising

Created awareness of environmental due diligence practices and the importance of sustainable managed sand supply chains in the automotive industry.

Awareness Raising

Relevant stakeholders, industry actors, regulators, etc. are aware of best practices tackling the effects of unregulated sand extraction and aim to drive policies and promote responsible industry conduct.

Enhanced Due Diligence

Human rights and environmental due diligence management along silica sand supply chains is enhanced and empowered stakeholders are motivated to further develop sand regulations.

ACTIVITY

OUTPUT

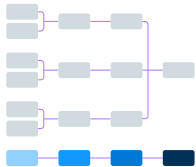
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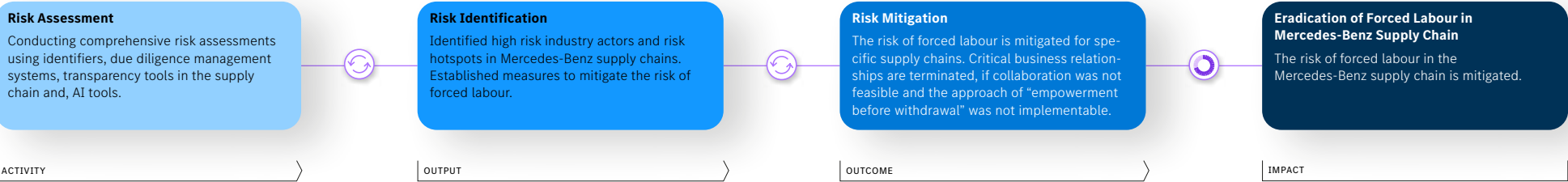


Mercedes-Benz
Risk Mitigation Strategy
for Silica Sand and Silicon



- in progress
- completed
- introduced and ongoing

Fight Against Forced Labour



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Gold

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Tantalum

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Tin

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Tungsten

Mercedes-Benz Risk Mitigation Strategy for 3 TG

Effective Standards

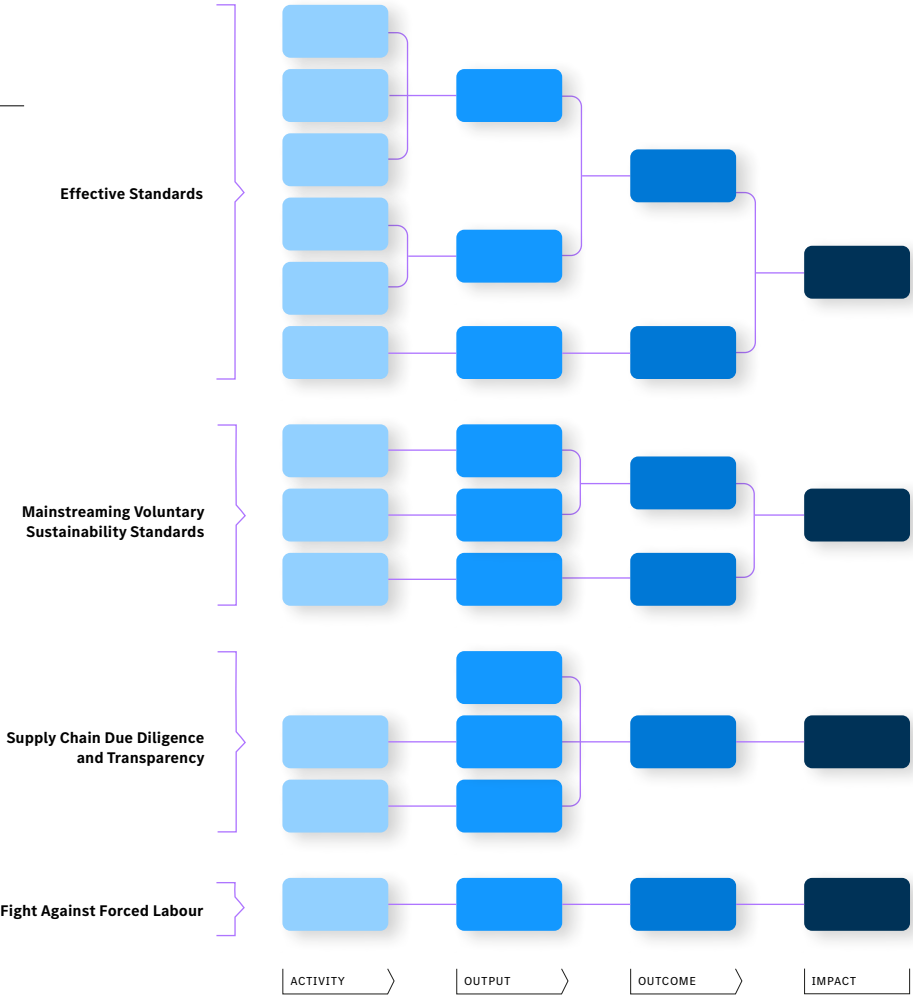
Standards hold significant potential to identify risks, induce and monitor continuous improvement as well as to support downstream manufacturers in effective due diligence management in supply chains. Mercedes-Benz is committed to improving existing standards by contributing to the development of standard systems that are effective in terms of governance, audit processes and that address risk areas effectively through best practice standard requirements, such as through our standard guidance ([↗Guidance: Mining and Supply Chain Standards | MBSP 2.0](#)).

Mainstreaming Voluntary Sustainability Standards

Demand is the strongest driver for the uptake of standards in raw material supply chains. To increase demand, Mercedes-Benz publicly promotes the value of effective voluntary standards to key stakeholder groups and continuously introduces awarding premises on mining level as well as adequate standards on processor level such as RMI RMAP for 3TG processors. This is embedded in our Responsible Sourcing Standards for all 3TG containing commodities.

Supply Chain Due Diligence and Transparency

Transparency on high-risk actors and hotspots in the supply chain is key when it comes to enhancing due diligence measures in the supply chain. With the collection of Conflict Minerals Reporting Templates from our 3TG suppliers, Mercedes-Benz monitors the implementation of our due diligence requirements.



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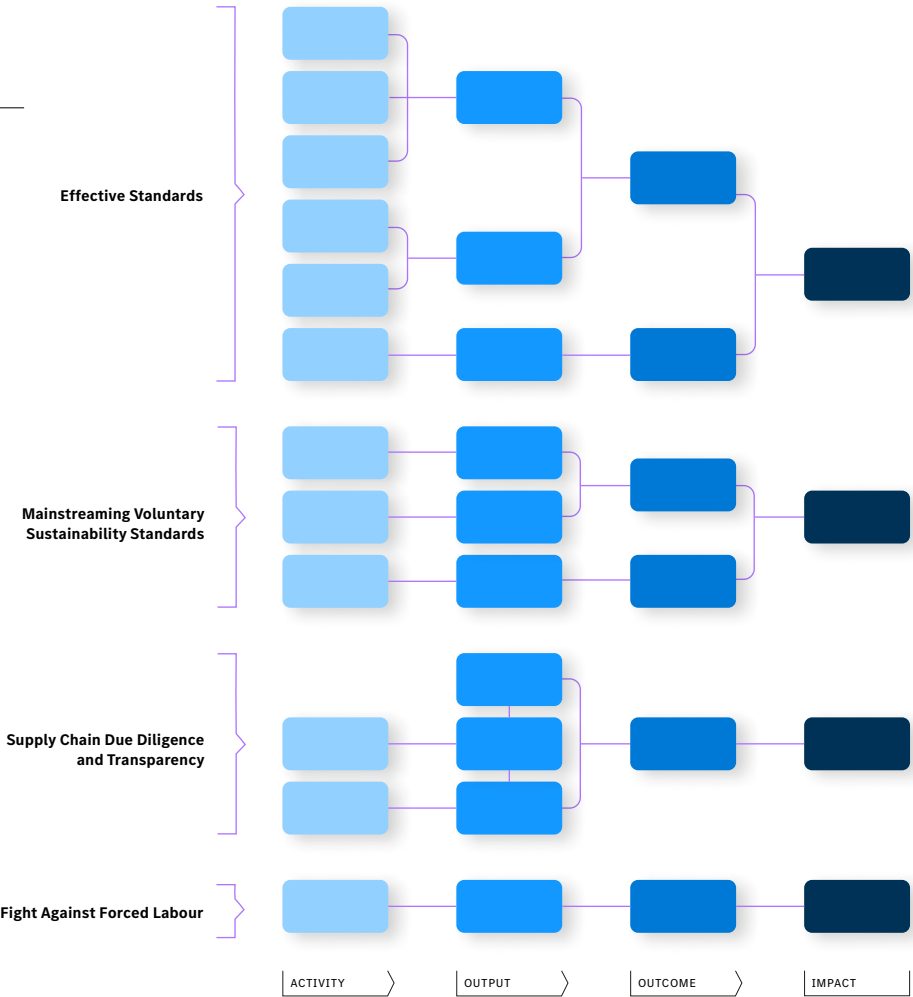
Mercedes-Benz Risk Mitigation Strategy for 3 TG

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Mercedes-Benz operates according to the principle of “empowerment before withdrawal.” Mercedes-Benz believes in significantly improving the status quo rather than taking the easiest route. Therefore, instead of simply excluding suppliers when issues arise, the company strives to collaborate with them to address the findings. Immediate exclusion might create the illusion of a “clean supply chain,” but it would not improve the situation for the workers and local people. Should this not be possible for several reasons, e.g. lack of cooperation and improvement in a defined timeframe or in case of state-imposed forced labour, Mercedes-Benz reserves the right to terminate business relationships with critical partners or restructure selected supply chains to eradicate forced labour in its supply chains. This approach helps Mercedes-Benz to prepare for and align with various regulatory requirements such as CSDDD and meets our own internal ethical standards.

Responsible Management of ASM

Mercedes-Benz applies a cross-material ASM approach where ASM risks may be present. This includes internal guidance to ensure consistent decision-making and communication, and ASM specific expectations embedded in due diligence requirements. It is complemented by exchanges with suppliers, affected stakeholders and peers to raise awareness as well as through identification of high-risk suppliers and planned capacity-building. For 3TG, this is enhanced by its membership engagement within the European Partnership for Responsible Minerals which also supports miners on the ground. For more information on our ASM activities, see [\(→ ASM\)](#).



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FOREWORD	RAW MATERIALS	LOCAL SPOTLIGHTS	CROSS-CUTTING AREAS OF ACTION	SUSTAINABILITY INITIATIVES AND STANDARDS	RAW MATERIAL ASSESSMENT	ANNEX
Assessment to effectiveness monitoring	Methodology	Collaborative DD Implementation	Incident Management	Risk Mitigation Strategy	Effectiveness Monitoring	Stakeholder engagement
					Limitations	RMS by Raw Material

RMI ESG Roll-Out

Mercedes-Benz is as a member of the RMI Collective Task Force, which supported the development and initial roll out of the new RMAP+ and ESG standard for the processor level.

Engagement through Memberships

Facilitating strategic developments of activities leading to an overarching ecosystem of standards (such as the RMI Collective ESG Task Force, RMI Gold WG, IRMA Buyers Group, IRMA CoC).

Leadership Position

Engagement through leadership positions to create effective voluntary standard systems suitable to fulfilling due diligence obligations. (RMI Steering Committee, IRMA Board).

Standard Quality Criteria

Publication of quality criteria and evaluation results of standard systems.

Targeted Outreach

Consulting with standard systems on quality criteria for effective standards (IRMA, RMI, ICMM).

Expert Review

Review of revision drafts of standards as part of standard consultations.

- CMSI
- IRMA
- RMI ESG

Effective Standards

Building Systems

Contributed to development of adequate standards systems and engagement on continuous improvement of their effectiveness.

Governance and Assurance

Raised awareness for quality criteria amongst standard systems.

Continuous Improvement

Provided input in public consultation processes of standards.

Structures and Procedures

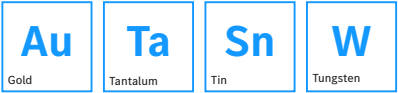
Relevant voluntary standard systems for responsible sourcing implement governance principles and procedures conducive to an effective due diligence management for downstream manufacturers in supply chains.

Best Practice Requirements

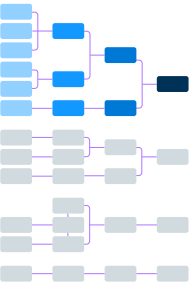
Relevant voluntary standard systems for responsible sourcing apply requirements suited to address environmental and human rights risks effectively.

Effective Standards

Effective governance and audit processes are in place and standard systems address risk areas through best practice standard requirements.



Mercedes-Benz
Risk Mitigation Strategy
for 3 TG



- in progress
- completed
- introduced and ongoing

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Assessment to effectiveness monitoring	Methodology	Collaborative DD Implementation	Incident Management	Risk Mitigation Strategy	Effectiveness Monitoring	Stakeholder engagement	Limitations	RMS by Raw Material

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Gold

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Tantalum

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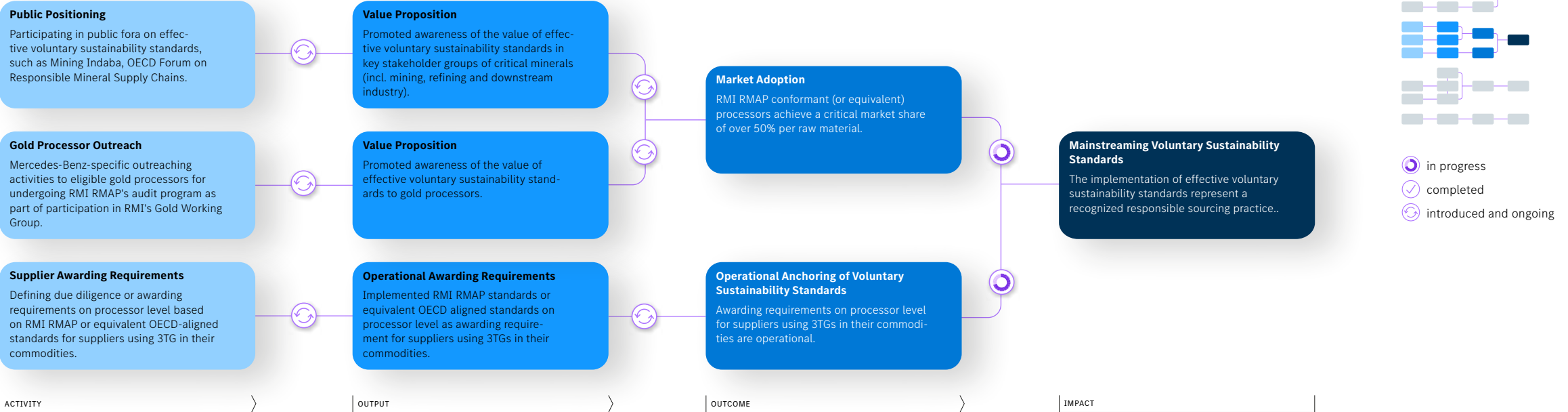
Tin

W

Tungsten

Mercedes-Benz
Risk Mitigation Strategy
for 3 TG

Mainstreaming Voluntary Sustainability Standards



Mercedes-Benz Risk Mitigation Strategy for 3 TG



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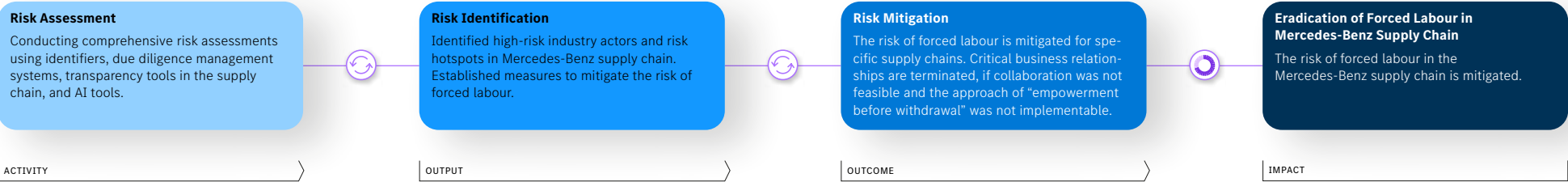
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Fight Against Forced Labour



ANNEX

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List of Abbreviations

3TG	Tin, Tantalum, Tungsten, and Gold	EU	European Union	NGO	Non-Governmental Organization
AHK	German Chamber of Commerce Abroad (Auslandshandelskammer)	FAO	Food and Agriculture Organization of the United Nations	OECD	Organization for Economic Cooperation and Development
ASI	Aluminium Stewardship Initiative	FAOSTAT	Food and Agriculture Organization Statistical Database	OEM	Original Equipment Manufacturer
ASI SC	Aluminium Stewardship Initiative Steering Committee	FPIC	Free, Prior, and Informed Consent	OHS	Organizational Health and Safety
ASM	Artisanal and Small-Scale Mining	GHG	Greenhouse Gas	PGM	Platinum Group Metals
BF-BOF	Blast Furnace – Basic Oxygen Furnace	GRDD	Gender-Responsive Due Diligence	PPE	Personal Protective Equipment
BHR	Business and Human Rights	HREE	Heavy Rare Earth Elements	REE	Rare Earth Elements
BPO	Business and People Protection Office	IAOOI	Input, Activity, Output, Outcome, and Impact	RMAP	Responsible Minerals Assurance Process
CAHRAs	Conflict Affected and High-Risk Areas	IFSMSC	International Forum on Sustainable Mineral Supply Chain	RMI	Responsible Minerals Initiative
CAP	Corrective Action Plan	ILiA	International Lithium Association	RMS	Risk mitigation strategy
CMRT	Conflict Minerals Reporting Template	ILO	International Labour Organisation	RSS	Responsible Sourcing Standards
CMSI	Consolidated Mining Standard Initiative	IRMA	Initiative for Responsible Mining Assurance	SDG	Sustainable Development Goals
CSR	Corporate Social Responsibility	KPI	Key Performance Indicator	SLR	SLR Consulting
CSDDD	Corporate Sustainability Due Diligence Directive	LkSG	The German Act on Corporate Due Diligence Obligations in Supply Chains	SOR	Smelter or Refiner
DD	Due Diligence	LMFP	Lithium Manganese Iron Phosphate	SAQ	Sustainability Assessment Questionnaire
DDMS	Due Diligence Management System	LSM	Large-Scale Mining	ToC	Theory of Change
DDQ	Due Diligence Questionnaire	LPPM	London Platinum and Palladium Market	TSM	Towards Sustainable Mining
DRC	Democratic Republic of the Congo	M&E	Monitoring and Evaluation	UN	United Nations
EAF	Electric Arc Furnace	NIPI	Nickel Impact Programme Indonesia	UNDP	United Nations Development Programme
EMRT	Extended Minerals Reporting Template			UNGP	United Nations Guiding Principles on Business and Human Rights
EPRM	European Partnership for Responsible Minerals			US NMA	US National Mining Association
ESG	Environmental, Social, and Governance				

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