

SUSTAINABILITY ACCOUNTING  
STANDARDS BOARD (SASB)  
DISCLOSURE 2022

# MERCEDES-BENZ GROUP AG

## SASB INDEX

Mercedes-Benz Group AG is one of the world's most successful automotive companies. With Mercedes-Benz AG, the Group is one of the leading global suppliers of premium and luxury cars and vans. Mercedes-Benz Mobility AG offers financing, leasing, car subscription and car rental, fleet management, digital services for charging and payment, insurance brokerage, as well as innovative mobility services.

The company is listed on the Frankfurt and Stuttgart stock exchanges (ticker symbol MBG). In 2022, the Group had a workforce of around 170,000 and sold 2.5 million vehicles. Group revenues amounted to €150.0 billion and Group EBIT to €20.5 billion.

### Automobiles Sustainability Accounting Standard

Topic	Code	Metric	Page
Activity Metrics	TR-AU-000.A	Number of vehicles manufactured	2
	TR-AU-000.B	Number of vehicles sold	2
Product Safety	TR-AU-250a.1	Percentage of vehicle models rated by NCAP programs with an overall 5-star safety rating, by region	2
	TR-AU-250a.2	Number of safety-related defect complaints, percentage investigated	2
	TR-AU-250a.3	Number of vehicles recalled	2
Labour Practices	TR-AU-310a.1	Percentage of active workforce covered under collective bargaining agreements	2
	TR-AU-310a.2	(1) Number of work stoppages and (2) total days idle	2
Fuel Economy & Use-phase Emissions	TR-AU-410a.1	Sales-weighted average passenger fleet fuel economy, by region	3
	TR-AU-410a.2	Number of (1) zero emission vehicles (ZEV), (2) hybrid vehicles, and (3) plug-in hybrid vehicles sold	5
	TR-AU-410a.3	Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities	5
Materials Sourcing	TR-AU-440a.1	Description of the management of risks associated with the use of critical materials	6
Materials Efficiency & Recycling	TR-AU-440b.1	Total amount of waste from manufacturing, percentage recycled	7
	TR-AU-440b.2	Weight of end-of-life material recovered, percentage recycled	7
	TR-AU-440b.3	Average recyclability of vehicles sold	8

All data in this Sustainability Accounting Standards Board ("SASB") disclosure is as of, or for the year-ended December 31, 2022 unless otherwise noted.

## Activity Metrics

### TR-AU-000.A

#### Number of vehicles manufactured

Mercedes-Benz Cars: 2,085,965

Mercedes-Benz Vans: 418,700

### TR-AU-000.B

#### Number of vehicles sold

Mercedes-Benz Cars: 2,040,719

Mercedes-Benz Vans: 415,344

## Product Safety

### TR-AU-250a.1

#### Percentage of vehicle models rated by NCAP programs with an overall 5-star safety rating, by region

100% Mercedes-Benz new passenger cars in Europe are rated by consumer test organizations with the highest possible rating result. In 2022, the Mercedes EQE received top ratings twice: The maximum rating of five stars in the Euro NCAP2 safety ratings and the overall rating of "very good" for the optional driving assistance package in the special rating for assistance systems as well as a special Euro NCAP Advanced Award for its Car-to-X communication system.

The new T-Class from Mercedes-Benz Vans participated in the independent Euro NCAP safety test in July 2022. The model was issued five out of five stars in the four categories of occupant safety, child safety, pedestrian protection and assistance systems.

Additionally, Mercedes-Benz regularly receives top ratings from the American Insurance Institute for Highway Safety (IIHS). The IIHS rating assesses both crash safety and accident-prevention and lighting systems. The Mercedes-Benz E-Class and GLE-Class received the 2022 TOP SAFETY PICK+ award for the 2022 model year, while the GLC was given the 2022 TOP SAFETY PICK distinction.

### TR-AU-250a.2

#### Number of safety-related defect complaints, percentage investigated

100% of safety-related defect complaints have been investigated by our own retail organization.

### TR-AU-250a.3

#### Number of vehicles recalled

In 2022, approx. 2.6 mill. Mercedes-Benz passenger cars and Mercedes-Benz Vans worldwide were part of recalls due to safety reasons. Thereof, 434,708 passenger cars and vans were affected in Germany.\*

## Labor Practices

### TR-AU-310a.1

#### Percentage of active workforce covered under collective bargaining agreements

Collective bargaining agreements apply to a large proportion of our employees throughout the Group. In particular at Mercedes-Benz Group AG, Mercedes-Benz AG and Mercedes-Benz Mobility AG, these apply to all employees covered by collective bargaining agreements.

Mercedes-Benz Group is also committed to its social responsibility and to the ten principles underlying the UN Global Compact (UNGC). As a participant in the UNGC, we undertake, among other things, to comply with key employee rights - from respect for equal opportunities to the right to equal pay for work of equal value.

### TR-AU-310a.2

#### (1) Number of work stoppages and (2) total days idle

In 2022, there was still a supply bottleneck for certain components worldwide. Despite geopolitical uncertainties and a volatile semiconductor market, global demand for Mercedes-Benz vehicles remained robust.

\* This information is based on issues officially claimed by the Kraftfahrt-Bundesamt (KBA) of the Federal State of Germany.

Nevertheless, due to the unstable political situation and ongoing restrictions imposed by the COVID-19 pandemic, the overall situation remained volatile. Due to the high flexibility of our plants, we react to such fluctuations in the best possible way.

In various plants, the capacity of production was temporarily adjusted in some areas due to the supply bottleneck. For some employees in these sub-areas, short-time work was requested. We were in close contact with our direct as well as our semiconductor suppliers. In 2022 there were warning strikes at individual locations in Germany.\*

## Fuel Economy & Use-phase Emissions

### TR-AU-410a.1

#### Sales-weighted average passenger fleet fuel economy, by region

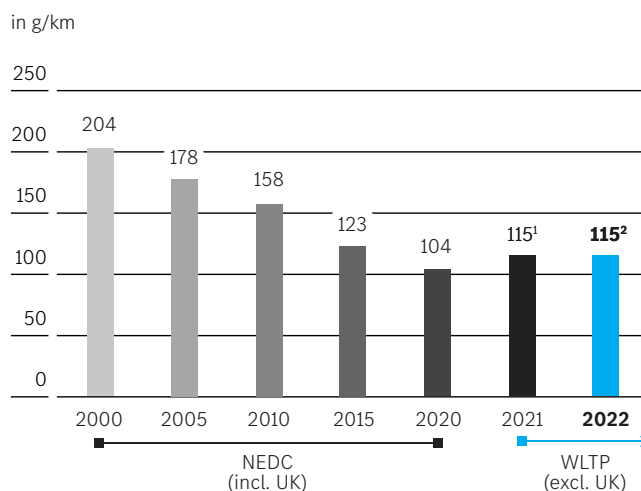
##### Development of CO<sub>2</sub> emissions in Europe

The Mercedes-Benz Group has defined the CO<sub>2</sub> emissions of its new passenger car fleet in Europe as one of its most significant non-financial key performance indicators.

In the reporting year, the average CO<sub>2</sub> emissions of the Mercedes-Benz passenger new car fleet in Europe (European Union, Norway and Iceland), applying the statutory regulations, are expected to amount to 115 g/km (including vans registered as passenger cars) and were thus at the same level as in the previous year. This means that the figures for Mercedes-Benz achieved the CO<sub>2</sub> targets in Europe in 2022.

For 2023, the company expects that the Mercedes-Benz fleet average in Europe (European Union, Norway and Iceland) will continue to fall. This development is particularly favoured by the continuing increase in sales of all-electric and plug-in vehicles as a proportion of total passenger car sales.

##### Development of average CO<sub>2</sub> emissions of the Mercedes-Benz passenger car fleet in Europe

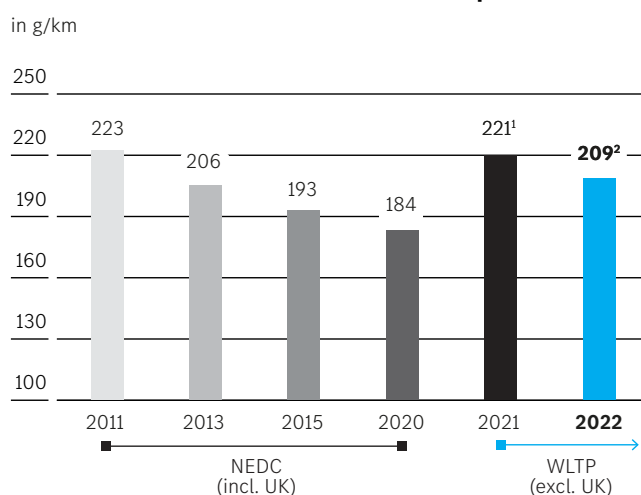


- 1 Preliminary EU data.
- 2 Projection.

In the reporting year, the average CO<sub>2</sub> emissions of vehicle category N1 light trucks in Europe (European Union, Norway and Iceland) as measured on the basis of the legal regulations are expected to amount to 209 g/km. This means that the figures for Mercedes-Benz will be below the CO<sub>2</sub> target.

For 2023 the company expects a further reduction in CO<sub>2</sub> emissions due to rising sales of battery-electric vehicles.

##### Development of average CO<sub>2</sub> emissions of the Mercedes-Benz van fleet in Europe



- 1 Preliminary EU data.
- 2 Projection.

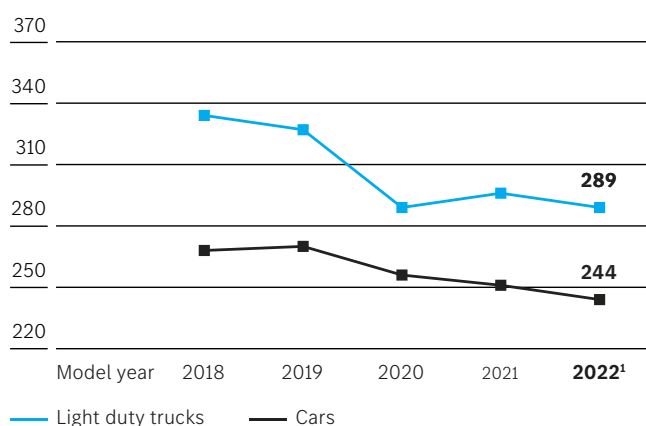
\* Warning strikes are short-term work stoppages in connection with ongoing collective bargaining in order to lend weight to the claims of the trade unions and employees.

### Development of CO<sub>2</sub> emissions in the USA

In the United States, fleet values are regulated by two separate federal standards for limiting greenhouse gases and fuel consumption in vehicle fleets: the Greenhouse Gas Protocol (GHG) and the Corporate Average Fuel Economy (CAFE) standard. For the 2022 model year, the GHG fleet figure is 244 g CO<sub>2</sub>/mi for the car fleet and 289 g CO<sub>2</sub>/mi for the fleet of vans and SUVs registered as light trucks (on the basis of the most recent forecast). Because the portfolio of electrified vehicles (xEV) in the United States is still in an early stage of development, the Mercedes-Benz Group was not able to achieve its average fleet targets of 195 g CO<sub>2</sub>/mi for the car fleet and 256 g CO<sub>2</sub>/mi for the fleet of vans and SUVs registered as light trucks. However, the Mercedes-Benz Group was able to offset the remaining difference through the purchase of external credits.

### Mercedes-Benz GHG values for cars and light commercial vehicles in the United States

in g CO<sub>2</sub>/mile



<sup>1</sup> Projection.

The models of the Mercedes-Benz Sprinter are subject to the GHG regulation for Classes 2b/3. The CO<sub>2</sub> targets in these classes depend on the payload, the towing capacity and the drive type of the vehicles. Data on CO<sub>2</sub> emissions from Mercedes-Benz vehicles were not yet available at the time of publication of this report.

### Development of CO<sub>2</sub> emissions in China

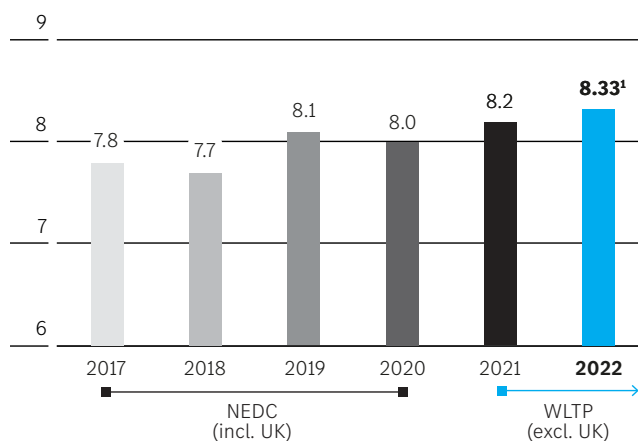
In China, domestic and imported cars are reported separately and according to fleet consumption values,

unlike in Europe and the United States. This means the figures for the imported fleet are the relevant figures for our wholly owned subsidiary Mercedes-Benz China (MBCL). The target was 7.01 l/100 km; the figure that was actually achieved was 8,33 l/100 km (8.17 l/100 km including off-cycle technologies). MBCL plans to purchase external credits in order to close consumption gaps in the fleet's target achievement at short notice.

The aim of the Mercedes-Benz Group with regard to the portfolio expansion for all-electric vehicles and plug-in hybrids is to achieve the emission targets in China in the medium term, together with the joint-venture partner Beijing Benz Automotive (BBAC).

### Mercedes-Benz fleet consumption passenger cars in China

in l/100 km



<sup>1</sup> Preliminary value without off-cycle technologies.

The V-Class and Vito models are produced by the joint venture Fujian Benz Automotive Co., Ltd. (FBAC) and constitute a local fleet (domestic). A value of 9.29 l/100 km was achieved (without off-cycle technology); the target value is 7.9 l/100 km. At present, the fleet balance can be offset by means of a credit transfer. This situation is not likely to change until 2026, because the fleet consists of only a single vehicle model.

Legal limits on the fuel consumption and/or CO<sub>2</sub> emissions of car fleets and light truck fleets also exist in many other markets, although the target values differ from market to market. This concerns major sales

Switzerland, Canada, Japan, South Korea, Brazil, India and Saudi Arabia. The Mercedes-Benz Group also takes these target values into account in the further development of its portfolio.

## TR-AU-410a.2

### Number of (1) zero emission vehicles (ZEV), (2) hybrid vehicles, and (3) plug-in hybrid vehicles sold

#### Alternative drive systems Mercedes-Benz Cars

		<b>2022</b>
Worldwide	Alternative drive systems (total)	333,490
	Plug-in hybrid	184,263
	Electric drive	149,227
	<b>MBC unit sales (total)<sup>1</sup></b>	<b>2,040,719</b>
Europe <sup>2</sup>	Alternative drive systems (total)	236,678
	Plug-in hybrid	142,022
	Electric drive	94,656
	<b>MBC unit sales (total)<sup>1</sup></b>	<b>618,904</b>

1 Group sales Mercedes-Benz Cars (incl. smart).

2 Europe: European Union, United Kingdom, Switzerland and Norway.

#### Alternative drive systems at Mercedes-Benz Vans

		<b>2022</b>
Worldwide	Electric drive	15,003
	<b>MBV unit sales (total)<sup>1</sup></b>	<b>415,344</b>
Europe <sup>2</sup>	Electric drive	14,847
	<b>MBV unit sales (total)<sup>1</sup></b>	<b>259,436</b>

1 Group Sales Mercedes-Benz Vans (commercial).

2 Europe: European Union, United Kingdom, Switzerland and Norway.

markets for Mercedes-Benz products such as  
**TR-AU-410a.3**

### Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities

The Board of Management of the Mercedes-Benz Group AG is responsible for setting strategic goals, including targets for reducing the CO<sub>2</sub> emissions, and for monitoring the progress made in achieving these goals. The Product Steering Board (PSB) is responsible for the car fleet. This body monitors the development

of the CO<sub>2</sub> emissions of the car fleet in markets in which such emissions are regulated. It is also responsible for providing forecasts. In its evaluations, the PSB takes into account a variety of factors, including the increasing degree of vehicle electrification and the changes that have been made to legal requirements, for example those related to the introduction of the WLTP certification procedure. The PSB is assigned to the Committee for Model Policy and Product Planning (AMP). The Product Strategy unit ensures compliance with the CO<sub>2</sub> fleet emission limits for vans and reports

on this regularly to the Van Executive Committee. The Committee for Model Policy and Product Planning and the Van Executive Committee both inform the Board of Management of Mercedes-Benz Group AG.

The Board of Management then decides which measures need to be implemented. On the market side of the equation, price and volume control measures can also affect our ability to achieve our CO<sub>2</sub> targets over the short term. For this reason, such measures are also discussed with the Board of Management within the framework of regular reporting on the current state of CO<sub>2</sub> fleet compliance.

The Mercedes-Benz Group believes that the complete electrification of its product range is the most important lever for making its entire new vehicle fleet net carbon neutral across all stages of the value chain by 2039. By the end of this decade, the Mercedes-Benz Group wants to be all-electric wherever market conditions allow. The strategic step to “Electric only” will accelerate the transformation of Mercedes-Benz to an all-electric and software-driven future.

As early as November 2021, the Mercedes-Benz Group underscored its commitment to this transformation during the COP26 UN Climate Change Conference – [“COP26 declaration on accelerating the transition to 100% zero-emission cars and vans”](#)

## Materials Sourcing

### TR-AU-440a.1

#### **Description of the management of risks associated with the use of critical materials**

The Mercedes-Benz Group relies on a wide range of measures and concepts to perform its due diligence in the supply chain. This includes supplier screenings, audits, risk-based due diligence analyses and qualification modules for suppliers of production materials. With these instruments, we want to increase transparency in the supply chain as well as to work with business partners in order to ensure that internationally recognised human rights are respected and that other social standards and environmental requirements are observed.

We are committed to the responsible procurement of production and non-production materials as well as services. In this context, the [Responsible Sourcing Standards \(RSS\)](#) form the guiding principles for sustainable supply chain management of the Mercedes-Benz Group. These define minimum requirements and expectations for suppliers. We obligate our direct suppliers, within the scope of re-tendering, to comply with the RSS, communicate them to their employees and their direct suppliers and ensure their compliance within their sphere of influence. The aim is to prevent, minimise or, where possible, end negative effects on human rights worldwide. In addition, the standards include requirements for environmental protection, which aim to conserve natural resources and prevent environmental damage caused by economic activity, to repair it when it occurs and to compensate for it if it is unavoidable or not rectifiable.

The Human Rights Respect System (HRRS) is the Mercedes-Benz Group's approach to human rights due diligence. It comprises the protection of the company's workforce via the Group-wide Social Compliance Management System (Social CMS) in Group companies, as well as processes for human rights due diligence in supply chains. Using this human rights due diligence approach, the Mercedes-Benz Group reviews both the Group companies and its direct suppliers (Tier 1) and, using a risk-based approach, indirect suppliers (beyond Tier 1) as well.

Within the HRSS, we have identified a list of 24 raw materials associated with increased human rights risks. These are now being assessed step by step and on a supply chain-specific basis. The in-depth assessment of these raw materials includes to increase transparency along the raw material supply chains, to identify risk hotspots in these supply chains and to define and implement measures for the risk hotspots. The Group publishes the results of these assessments in its [Mercedes-Benz Raw Materials Report](#).

Regarding climate-related risks, Mercedes-Benz Group aims with its “Ambition 2039” to have a net CO<sub>2</sub>-neutral new vehicle fleet along the entire value chain in less than 20 years. The supplier network plays a decisive role in achieving the climate targets. In order to reduce CO<sub>2</sub> emissions in the supply chain, Mercedes-Benz Cars

and Mercedes-Benz Vans use three levers. Through the „Ambition Letter“, which applies in the case of the award of any new contract, suppliers pledge to the segments that only net CO<sub>2</sub>-neutral products will be procured from 2039 on. In addition, we have integrated target values for CO<sub>2</sub> emissions into our criteria for award processes – the focus is on components that are produced in a CO<sub>2</sub>-intensive manner. These targets not only concern the direct supplier, but they are also valid for the upstream production of raw materials and components. As a third lever, we work together with selected partners to reduce CO<sub>2</sub> emissions in the supply chain – especially in the production of important components such as battery cells or body-in-white components – through innovative technologies.

Further, suppliers who supply Mercedes-Benz Cars and Mercedes-Benz Vans with production materials are required to have a certified environmental management system in accordance with ISO 14001 or EMAS. If a supplier does not have a certified environmental management system, the supplier is given two years to set up such a system and have it certified. If this is not done, the supplier may be excluded from receiving new orders.

## Materials Efficiency & Recycling

### TR-AU-440b.1

#### **Total amount of waste from manufacturing, percentage recycled**

In 2022, Mercedes-Benz (based on majority shareholdings) had a waste recycling rate of 97.87%.\*

Further details are available in our tool [“Key figures environment”](#)

### TR-AU-440b.2

#### **Weight of end-of-life material recovered, percentage recycled**

When developing products, the Mercedes-Benz Group keeps the circular economy in mind from the start and draws up a recycling concept for each new model series. For this, it analyses all components and materials and examines the extent to which they are suitable

for the various stages of the recycling process. All Mercedes-Benz passenger car models and light commercial vehicles (Vehicle classification N1) have a materials recycling rate of 85% according to ISO 22628. In addition, they are in compliance with the European End-of-Life Vehicles Directive 2000/53/EC. This stipulates that cars and vans with a gross vehicle weight of up to 3.5 t must be 95% recyclable.

With the adoption of the European ELV Directive, requirements were also set for the establishment of free of charge take-back systems for end-of-life vehicles (ELVs) as well as used parts from repairs in Mercedes-Benz workshops. Dismantling information is published by the manufacturer in the IDIS (International Dismantling Information System) to ELV recyclers. At the ELV recycler's premises, the fluids, battery, oil filter, tires, and catalytic converters are removed as part of the pre-treatment process. The airbags are able to get triggered with a device that is standardized amongst all European car manufacturers. During dismantling, the prescribed parts are first removed according to the European ELV Directive. To improve recycling, numerous components and assemblies are then removed and are sold directly as used spare parts or serve as a basis for the manufacturing of replacement parts. In addition to used parts, materials that can be recycled using economically appropriate procedures are selectively removed in the vehicle dismantling process. These include components of aluminium and copper as well as selected large plastic components.

At the Mercedes-Benz Used Parts Centre (MB GTC), founded in 1996, more than 5000 vehicles are dismantled each year. The aim is to remove as many components as possible in order to sell them as used replacement parts. Initially, in-house experts check all removed parts for their quality. The parts are offered for sale with the same warranty as new parts only if they meet the standards of MB GTC. According to the waste pyramid, reuse is the highest level of the circular economy, so that MB GTC makes a valuable contribution to sustainability and resource conservation.

Components that do not meet MB GTC's requirements go on to be further reprocessed. This recycling process

\* including waste for energy recovery.



means that valuable raw materials can be recovered and kept in circulation – for example copper from vehicle wiring, gold from the circuit boards of control units or platinum from catalytic converters.

### **TR-AU-440b.3**

#### **Average recyclability of vehicles sold**

All Mercedes-Benz passenger car models and light commercial vehicles (Vehicle classification N1) have a materials recycling rate of 85% according to ISO 22628. In addition, they are in compliance with the European End-of-Life Vehicles Directive 2000/53/EC. This stipulates that cars and vans with a gross vehicle weight of up to 3.5 t must be 95% recyclable.

This document contains forward-looking statements that reflect our current views about future events. The words “anticipate”, “assume”, “believe”, “estimate”, “expect”, “intend”, “may”, “can”, “could”, “plan”, “project”, “should” and similar expressions are used to identify forward-looking statements. These statements are subject to many risks and uncertainties, including an adverse development of global economic conditions, in particular a decline of demand in our most important markets; a deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, pandemics, acts of terrorism, political unrest, armed conflicts, industrial accidents and their effects on our sales, purchasing, production or financial services activities; changes in currency exchange rates, customs and foreign trade provisions; a shift in consumer preferences towards smaller, lower-margin vehicles; a possible lack of acceptance of our products or services which limits our ability to achieve prices and adequately utilise our production capacities; price increases for fuel, raw materials or energy; disruption of production due to shortages of materials or energy, labour strikes or supplier insolvencies; a decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimisation measures; the business outlook for companies in which we hold a significant equity interest; the successful implementation of strategic cooperations and joint ventures; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; the resolution of pending governmental investigations or of investigations requested by governments and the outcome of pending or threatened future legal proceedings; and other risks and uncertainties, some of which are described under the heading “Risk and Opportunity Report” in this Annual Report. If any of these risks and uncertainties materialises, or if the assumptions underlying any of our forward-looking statements prove to be incorrect, the actual results may be materially different from those we express or imply by such statements. We do not intend or assume any obligation to update these forward-looking statements since they are based solely on the circumstances at the date of publication.