

Business Partner Standards



Doing The Right Thing Together.

Mercedes-Benz



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„Our sustainable business strategy is based on integrity and compliance. A shared understanding of values also serves the foundation for successful collaboration with our partners.“

Renata Jungo Brüngger, Member of the Board of Management of Mercedes-Benz Group AG and Mercedes-Benz AG responsible for Integrity and Legal Affairs.

01 Introduction



Everyone who works for the Mercedes-Benz Group¹ or works with us as a business partner knows that we always strive to be the best.

We want to develop advanced technologies, build amazing vehicles and offer intelligent mobility solutions. We also want to fulfill our social responsibility in an exemplary manner. As a founding member of the United Nations [Global Compact](#)², we are committed to respecting human rights, respecting employees' rights and their representatives, protecting the environment, enabling fair competition and fighting against [corruption](#).

Our [commitment to excellence](#) applies to how we treat our employees and how we do business with our customers and partners.

The foundation of our work is built on our four corporate values: **respect**, passion, discipline and integrity.

We show respect to our employees, customers and business partners. Our **passion** is the basis of our success because it enables us to do our best every day. For us, **discipline** means taking on challenges and achieving our goals while taking various interests into account. Our **integrity** makes us successful over the long term and contributes to a functioning society. Especially during challenging times, **acting with integrity** is of high importance.

These Business Partner Standards outline our commitment to and expectations of business partners. **Adherence to these standards** is the chief requirement for successful collaboration.

¹ "Mercedes-Benz Group" refers to Mercedes-Benz Group AG and its controlled Mercedes-Benz group companies.

² Terms appearing in color are defined in the glossary.

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



Integrity plays a central role at the Mercedes-Benz Group and shapes how we perceive ourselves.

We also take responsibility for situations in which there are no clear rules or in which they can be interpreted in different ways.

At the Mercedes-Benz Group, integrity means doing the right thing by **living our values**. In other words, we adhere to internal and external rules, we act according to our corporate values and we listen to our inner compass. In this context, we orient ourselves using our **five corporate principles** which will also serve you as an important guide.

Our Corporate Principles

We are profitable and are committed to people and the environment

We produce fascinating vehicles and offer innovative mobility services in order to be successful and profitable. Sustainable treatment of the environment is important to us, which is why we protect it and use our resources responsibly.

Our aspiration is to strike a balance between profitability, people and the environment.

We act responsibly and respect the rules

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

We address issues openly and stand for transparency

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

Fairness and respect are the foundation of our collaboration

At the Mercedes-Benz Group, we treat one another with fairness and respect. Team spirit, mutual trust and a respectful attitude are important to us. This applies to our employees, our customers, all our business partners and everyone else.

We practice diversity

At the Mercedes-Benz Group, our strength lies in our employees' diverse backgrounds which are a key factor to our success. Our corporate culture is characterized by respect, tolerance and team spirit.

03 How We Work Together: Our Behavior Guidelines



Principles for Working Together

Choosing business partners

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

Before entering into any contracts with new business partners, we therefore subject them to screening to the extent permitted by law, using a **transparent integrity** check. Even after contract execution, our partners are obligated to comply with statutory requirements. If there are any changes in the business relationship with the partner, in its characteristics (for example business models, sales territories or owners), or in the business partner's management structure, the **integrity check** will be updated or reevaluated.

Concerns about integrity or potential violations of laws and/or the Business Partner Standards **will be examined together** with the business partner. If they cannot be resolved, we will have to take legal action that may include termination of the business relationship.

One of your duties as a business partner is to communicate to your employees the applicable laws in addition to the contents of these Business Partner Standards and the associated requirements. We also expect you to share these regulations with your **suppliers** as well and to ensure compliance with them.

Diversity and equal opportunity

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

That happens by creating a culture of mutual respect and appreciation. Any form of **discrimination**, harassment or **bullying** goes against who we are and has no place at the Mercedes-Benz Group.

We also expect our partners to respect **diversity and equal opportunity** in employment and prohibit any form of **discrimination** or **bullying**. Any **discrimination against individuals** on the basis of their race, origin or nationality, religion or ideology, political or union activity, gender, sexual identity or sexual orientation, age, physical or mental disability, medical condition or pregnancy is **unacceptable** to us.

Health and safety

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

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

Conflicts of interest

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

Information security and business secrets

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

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

Most notably, **business secrets**—for example, inventions, new products or vehicle concepts—secure our advantage over our competitors. We therefore protect that information at a particularly high standard and expect our business partners to do the same. Our employees and you, as our partner, are required to comply with laws and internal regulations for protecting business secrets and respect the business secrets of competitors, business partners and customers.

Artificial Intelligence

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

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

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

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

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

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

Compliance with Laws

Product safety and compliance with technical regulations

We want to design the mobility of the future to be as safe as possible. That is why the quality of our products has a high priority for us at the Mercedes-Benz Group. Throughout the [product life cycle](#), we ensure the legal and [regulatory conformity](#) of our processes and products.

We expect our business partners to do the same. Upon delivery all products and services must meet the **contractually defined criteria** for quality as well as active and passive safety standards, and they must be safe to use for their intended purpose. We and our business partners are obliged to notify users of our products, in a suitable manner, about the use and **possible risks** involved in handling the product.

To do so, it is essential to obey all relevant **laws and regulations** as well as to take into consideration possible consequences of one's personal conduct throughout the [product life cycle](#). If the legal framework conditions are unclear, you can provide your employees with orientation by establishing appropriate **structures and procedures**.

If you identify potential risks in the interpretation of any laws or regulations, we expect you to address them **directly and openly** with us.

Further, we expect **immediate notification** from our business partners in case of facts that substantiate suspicions of a violation of legal requirements or regulations regarding [regulatory conformity](#), emission and product safety with implications for the Mercedes-Benz Group.

Tax and customs regulations

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

Antitrust law

Well-functioning and free competition is a fundamental pillar of our social and economic system. It creates growth and employment and ensures that, as consumers, we can all buy modern products at reasonable prices. The Mercedes-Benz Group and its partners respect **fair competition**. Compliance with laws that protect and promote competition is the basis for trusting partnerships and collaboration with us. You are required to obey antitrust laws and are prohibited from supporting any measures that hinder free competition.

Foreign trade legislation

For a global company like the Mercedes-Benz Group and for all companies that partner **with us, strict compliance with regulations of foreign trade legislation** is essential. Such regulations and legislation must always be observed when exporting both tangible and intangible goods as well as services.

Fundamental restrictions are placed on **military goods** and civilian products that can also be used for military purposes. Furthermore certain goods and countries have special restrictions, such as **arms or luxury goods embargoes**.

Economic sanctions and money laundering

The Mercedes-Benz Group and its partners observe the provisions of applicable **sanctions** regimes and act in **compliance with the statutory regulations** on preventing **money laundering** and fighting **terrorism financing**.

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

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

Intellectual property protection

The Mercedes-Benz Group and its partners observe all applicable laws on protecting intellectual property. We make sure that we possess all the required rights of usage and licenses so that we avoid any **property rights violations**. Intellectual property encompasses registered intellectual property rights (such as **patents, trademarks and designs**), domains and copyrights. Fairness requirements such as counterfeit protection also serve the protection of intellectual property and must also be complied with.

Insider trading legislation and ad-hoc announcements

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

Corruption prevention

At the Mercedes-Benz Group, we have a clear understanding of what kind of business we will or will not do. We do not give or take bribes. We impress our business partners and customers with our products and services and not through undue influence.

We make decisions for objective and verifiable reasons and **avoid the mere appearance of being under undue influence**. The Mercedes-Benz Group does not tolerate any corrupt practices and takes action against them. We expect our business partners and their employees to do the same.

Handling data

The digital revolution is creating new work processes, business areas and mobility concepts. The Mercedes-Benz Group stands for sustainable, data-based business models. We create trust among our employees, business partners and customers by respecting **data protection as a personal right**.

That is why we process and use [personal data](#) only to the extent permitted by laws, regulations, our own principles ([Data Vision](#)) and the data subjects themselves. The principles of our [Data Vision](#) extend beyond data protection. They describe the responsible and legally compliant handling of data as a whole, even if the data is not personal.

We expect our business partners to comply with applicable laws and regulations governing data protection and data security. It is important for us that you, as our partner, handle data as responsibly and transparently as we have stipulated for our company.

Sustainability and Social Responsibility

Respect for human rights

The Mercedes-Benz Group has made a commitment to respect the internationally recognized human rights as defined by the [United Nations Guiding Principles on Business and Human Rights](#). We place special importance on the rights stated in the International Bill of Human Rights and the [core labor standards of the International Labour Organization \(ILO\)](#).

We make every effort to ensure that not only we, but also our business partners—especially suppliers and their subcontractors—observe the principles below:

Compliance with human rights

The Mercedes-Benz Group and its partners respect and support the protection of internationally recognized human rights and are committed to **preventing human rights violations** carried out by organizations with which the Mercedes-Benz Group and its partners do business as well as any other business partners and suppliers. This applies especially during crises and encompasses other issues related to human rights, such as environmental protection, digitalization and fighting corruption. When engaging in commercial activities in their area of influence, our partners are encouraged to ensure that they are not committing any human rights violations themselves. Furthermore, they take care that they are not involved in human rights violations.

Free choice of employment

The Mercedes-Benz Group and its partners reject any and all forms of modern slavery. We make sure that **forced or compulsory labor** is not practiced in any form and that none of our business partners profit from modern slavery. All employees must have the freedom to terminate their employment while observing a reasonable period of notice.

Condemnation of child labor

The Mercedes-Benz Group and its partners support the total **abolition of child labor**. Children must not be inhibited in their development. Their health and safety must not be put at risk and must be protected by appropriate means.

Freedom of association

The Mercedes-Benz Group and its partners ensure that their employees can openly discuss working conditions with management without fear of retaliation. We respect the **right of employees** to come together in groups, join a trade union and appoint a committee of representatives and be elected as members of such committees.

Fairness in pay, working hours and social benefits

The Mercedes-Benz Group and its partners pay wages and provide social benefits in accordance with the basic principles regarding collectively agreed **minimum wages**, applicable **overtime regulations** and **social benefits** required by law. Our business partners are also expected to have working hours that, at a minimum, comply with applicable laws, industry standards or the [core labor standards of the International Labour Organization \(ILO\)](#).

Protection of human rights defenders

The Mercedes-Benz Group and its partners are aware of the important role played by [human rights defenders](#) in **respecting and promoting human rights**. We make every effort to ensure their protection and reject all forms of intimidation, defamation and criminalization of [human rights defenders](#).

Environmental protection

One of our most important corporate objectives related to environmental protection is **CO2 neutrality**. We have incorporated this into our **sustainable business strategy**. It is our ambition for our new vehicle fleet to be carbon neutral by 2039. Starting in 2022, we want production at our Mercedes-Benz Cars and Vans factories worldwide to be CO2 neutral. Mercedes-Benz Mobility AG is pursuing its ambition of neutralizing its carbon footprint at all its locations and its headquarters by the end of 2022.

In doing so throughout the company, we are helping to achieve the climate goals of the Paris Agreement.

Environmentally friendly products

To reduce the environmental impact of our products, we give consideration to **integrated climate protection** in every stage of the automobile value chain—from development to extraction of resources and production up to the utilization phase and disposal of vehicles. For our business partners, that means all products manufactured along the entire supply chain are required to meet the **environmental standards of their market segment**. We view it as a requirement for business partners to have identified any chemicals and other substances that may pose a hazard when released into the environment. This also includes establishing a system of hazardous materials management outlining proper procedures so that the substances can be safely handled, transported, stored, recycled, reused and disposed of.

Environmentally friendly production

We ensure that optimum environmental protection is guaranteed during every phase of production. We take a proactive approach to preventing and minimizing the impact of accidents that may harm the environment. We place special focus on applying and further developing technologies that conserve and reduce energy, water and waste. We therefore also require our partners to use strategies and measures in **reducing emissions and enabling materials to be recycled and reused**.

04 Complying with the Business Partner Standards



Scope

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

Those who are not committed to our Business Partner Standards cannot be our partners.

Treatment of violations

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

If the misconduct concerns violations of the rules and regulations by Mercedes-Benz Group employees, the Mercedes-Benz Group **whistleblowing system BPO (Business Practices Office)** is responsible. The **BPO** is the point of contact for all Mercedes-Benz Group employees, business partners and third parties who wish to report violations of rules or regulations that pose a major risk to the company and its employees.

High risks include offenses such as **corruption**, **antitrust** law violations and **money laundering** as well as violations of **binding technical provisions or violations in connection with environmental regulations**.

In Germany, an external **Neutral Intermediary** can also be contacted. The Neutral Intermediary is an independent attorney appointed by the Mercedes-Benz Group who receives information regarding regulatory violations and, at the request of the whistleblower, forwards them in anonymous form to the **BPO**. The Neutral Intermediary is required to maintain secrecy and is subject to attorney-client confidentiality vis-à-vis the company.

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

In any case, you can always contact the **BPO** at **bpo@mercedes-benz.com**.

You can find current contact information for the **BPO** and the Neutral Intermediary on our website at **group.mercedes-benz.com/company/compliance/bpo**.

Support and assistance

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

The Mercedes-Benz Group offers you as our business partner a web-based module (**Compliance Awareness Module**) with content related to these Business Partner Standards. Among other things, the module explains the principles that guide us at the Mercedes-Benz Group in the area of integrity. At the same time, we show our business partners how to deal with possible integrity and compliance risks.

- Please find the module for **sales business partners** and **suppliers** here:
compliance-awareness-module.com

- As a **supplier**, you will additionally find all relevant regulations and key information about your partnership with the Mercedes-Benz Group at the **Mercedes-Benz Supplier Portal**.

You can find the **Mercedes-Benz Group Sustainability Report** at this web address:
group.mercedes-benz.com/sustainability.

At **group.mercedes-benz.com/sustainability/basics/integrity/**, you can learn more about integrity and the principles of our conduct at the Mercedes-Benz Group.

We look forward to a mutually beneficial partnership with you.

05 Glossary



Ad-hoc announcement

Public announcement by a listed company. Such announcements include insider information, i.e. information related to the company that might affect stock market prices of the company's shares.

Artificial Intelligence

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

Bullying

Prolonged, successive and overarching animosity, victimization or discrimination hurting the affected person.

Business Practices Office (BPO)

Whistleblower system from the Mercedes-Benz Group, which is open to all employees, business partners and third parties in order to address risks and high-risk violations. Corruption, antitrust and money laundering offenses as well as violations of technical specifications or violations of environmental regulations are considered to be high risk.

Commitment to excellence

Aspiration to create exceptional services and products in order to become a market leader in the respective sector.

Conflict of interests

A conflict of interests may arise whenever personal or individual financial interests collide with those of the Mercedes-Benz Group or the business partners. If the conflict of interests cannot be resolved, the individual may need to be removed from a certain office or function. For example, conflicts of interests may arise in connection with gifts, invitations, sideline activities and shareholdings in competitor companies.

Core labor standards of the International Labour Organization (ILO)

Social standards created by the International Labour Organization (ILO) within the world trade order to ensure decent working conditions and worker protection.

Corporate principles and behavior guidelines

Corporate principles are basic guidelines based on our corporate values that describe our self-image. They guide the employees and business partners in their day-to-day operations. Behavior guidelines are specific rules that employees and business partners must adhere to. They are in line with the corporate values, corporate principles and mandatory internal and external guidelines.

Corruption

Abuse of an office or position in order to obtain an advantage. One common example of corruption is bribery.

Data vision

The aspiration of the Mercedes-Benz Group concerning the handling of data: “We stand for sustainable, data-based business models. That is why we focus on the needs of our consumers and employees and handle data responsibly.” The Data Vision follows seven principles: Business Potential, Consumer Benefit, Data Quality, Transparency, Choice, Data Security and Data Ethics.

Design

Design rights provide protection for the appearance (e.g. shape, color, contours and ornamentation) of a product, which means any industrial or handicraft item. A registered design must be new (Novelty) and needs to differ in its overall impression from known designs (Individual Character). However, in several countries or jurisdictions these substantive requirements are not examined before the registration of a design. A registered and valid design confers on its holder the exclusive right to use it and to prevent any third party from using it. Design protection can last up to 25 years.

Discrimination

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

Diversity

Individual differences within a group of people including, for example, gender, age, origin, sexual orientation and other characteristics.

Embargo

Government order prohibiting trade with a specific country.

Equal opportunity

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

Global Compact

United Nations initiative for responsible corporate management. The Global Compact pursues the objectives of an inclusive and sustainable world economy based on ten universal principles on human rights, labor standards, environment, anti-corruption and sustainable development goals.

Human rights defender

Human rights defenders, also known as human rights activists, are people and groups who work non-violently to protect and promote human rights.

Inclusion

The conscious, integrative and appreciative approach to diversity, with the objective of including and treating all employees in an equal and fair manner.

Integrity check

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

Money laundering

Channeling of illegally generated funds into the legal economic cycle.

Patent

Intellectual property right for innovative products, technologies and procedures. A patent guarantees its owner the exclusive right to decide whether and how third parties may use the protected invention. The maximum protection period of a patent is 20 years.

Personal data

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

Product life cycle

All product life stages: design, production, disposal and recycling.

Regulatory conformity

Regulatory conformity in the context of product safety and conformity to technical regulations means compliance with national and international legal requirements, technical norms and standards, the state-of-the-art in science and technology and Mercedes-Benz Group guidelines as far as they stipulate technical standards.

Sanctions

Measures under international law or state measures against natural or legal persons (for example individuals or companies) as well as against states to punish, or exert economic pressure. Typical sanctions are embargoes.

Sustainability

Both present and future-oriented operating principles aimed at reconciling economic, ecological and social aspects.

Terrorist financing

Provision of (legal and illegal) assets to persons or organizations in a terrorist environment that can be used to carry out terrorist activities.

Trademark

Trademarks are signs that distinguish products and services of an enterprise from those of other enterprises. Words, pictures, sounds, three-dimensional shapes, colors or other signs can be trademarks. Trademarks can be renewed indefinitely.

United Nations Guiding Principles on Business and Human Rights

The UN Guiding Principles on Business and Human Rights are a set of international guidelines for preventing human rights violations in the context of business activities. They also address the responsibility of business enterprises in this context.

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