

SUSTAINABILITY ACCOUNTING  
STANDARDS BOARD (SASB)  
DISCLOSURE 2021

# MERCEDES-BENZ GROUP AG

## SASB INDEX

Mercedes-Benz Group AG is one of the world's most successful automotive companies. With Mercedes-Benz AG, we are 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 stock exchanges of Frankfurt and Stuttgart (ticker symbol MBG). In 2021 we had a workforce of around 172,000 and sold 2.3 million vehicles. Our Group revenue amounted to €168.0 billion and Group EBIT to €29.1 billion.

### Automobiles Sustainability Accounting Standard

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All data in this Sustainability Accounting Standards Board ("SASB") disclosure is as of, or for the year-ended December 31, 2021 unless otherwise noted.

## Activity Metrics

### TR-AU-000.A

#### Number of vehicles manufactured

Mercedes-Benz Cars: 1,953,023

Mercedes-Benz Vans: 388,659

### TR-AU-000.B

#### Number of vehicles sold

Mercedes-Benz Cars: 1,943,930

Mercedes-Benz Vans: 386,239

## 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 2021, both the EQA (2019 version, compact SUV category) and the EQS (2021 version) were awarded five out of five possible stars by EuroNCAP during the reporting period. The EQS was even named “Best in Class” twice: in the categories “Executive” and “Pure Electric”, which means all EQ models launched on the market in 2021 received the highest possible ratings.

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 C-Class, E-Class and GLE-Class received the IIHS “2021 TOP SAFETY PICK+” distinction for the 2021 model year, while the GLC was given the “2021 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 2021, approx. 3.3 mill. Mercedes-Benz passenger cars and vans worldwide were part of recalls due to safety reasons. Thereof, 805,989 passenger cars and vans were affected in Germany.<sup>1</sup>

## 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 2021 Mercedes-Benz experienced supply bottlenecks for certain semiconductor components worldwide. In various plants, the operation mode was temporarily adjusted in some areas due to the supply bottlenecks. For some employees in these sub-areas, short-time work was requested. Strategic projects and basic functions were excluded from short-time work.

In 2021 there were warning strikes at individual locations in Germany.<sup>2</sup>

<sup>1</sup> This information is based on issues officially claimed by the Kraftfahrt-Bundesamt (KBA) of the Federal State of Germany

<sup>2</sup> 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.

## Fuel Economy & Use-phase Emissions

### TR-AU-410a.1

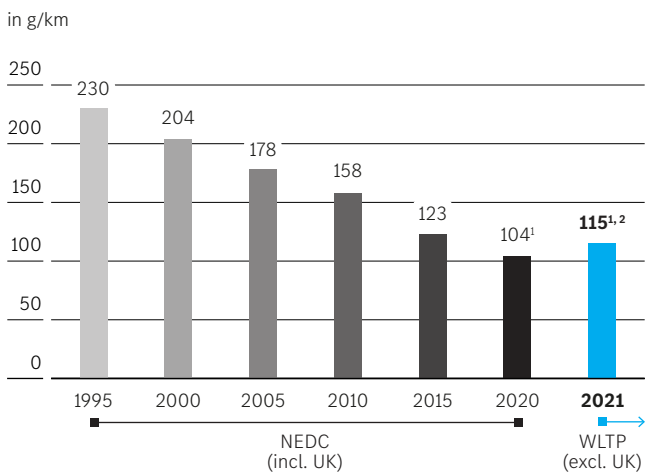
#### Sales-weighted average passenger fleet fuel economy, by region

##### Europe

Mercedes-Benz has defined the CO<sub>2</sub> emissions of its fleet of new cars in Europe as a significant non-financial performance indicator.

In the reporting year, the average CO<sub>2</sub> emissions of our total passenger car fleet in Europe (European Union, Norway and Iceland) as measured on the basis of legal regulations decreased to an estimated 115 g/km (WLTP, including vans that are registered as passenger cars). This means that we achieved the CO<sub>2</sub> targets in Europe (European Union, Norway and Iceland) in 2021. Since 2021, in line with the regulatory requirements, this value has been based on the WLTP certification process and is thus not comparable with the prior year's value.

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

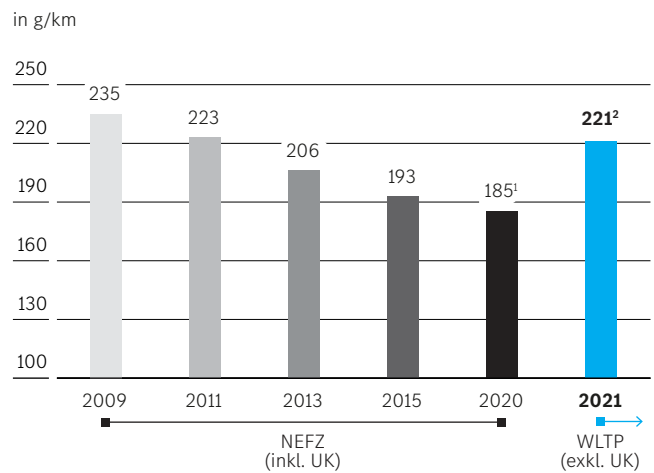


1 Including vans registered as M1 vehicles – all other years without vans.  
2 Projection

We expect that our fleet's average CO<sub>2</sub> emissions in Europe (European Union, Norway and Iceland) in 2022 will once again be lower than the figure that was recorded in 2021. This development has been especially favoured by the fact that all-electric and plug-in hybrid vehicles continue to increase their share of our total car sales. In the reporting year, the average CO<sub>2</sub> emissions of our

light commercial vehicles (Class N1 vehicles) in Europe (European Union, Norway and Iceland) as measured on the basis of the legal regulations amounted to 221 g/km (WLTP). As a result, we expect to be below the CO<sub>2</sub> target. In 2022 we expect the continued expansion of our battery-electric product portfolio (launch of the eCitan) to reduce CO<sub>2</sub> emissions further.

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

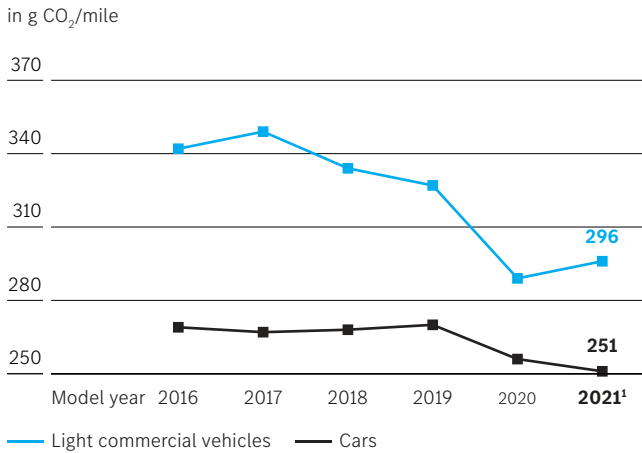


1 Preliminary EU data  
2 Projection

#### United States

In the United States, two separate fleet values are in use for limiting greenhouse gases and fuel consumption in vehicle fleets: the greenhouse gas (GHG) emission standards and the Corporate Average Fuel Economy standards (CAFE). For the 2021 model year, the GHG fleet value was 251 g CO<sub>2</sub>/mi for the passenger car fleet and 296 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). Thus we were not able to achieve our average fleet targets of 194 g CO<sub>2</sub>/mi for the car fleet and 259 g CO<sub>2</sub>/mi for the fleet of vans and SUVs registered as light trucks. However, we were able to close the remaining gap by purchasing external credits.

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



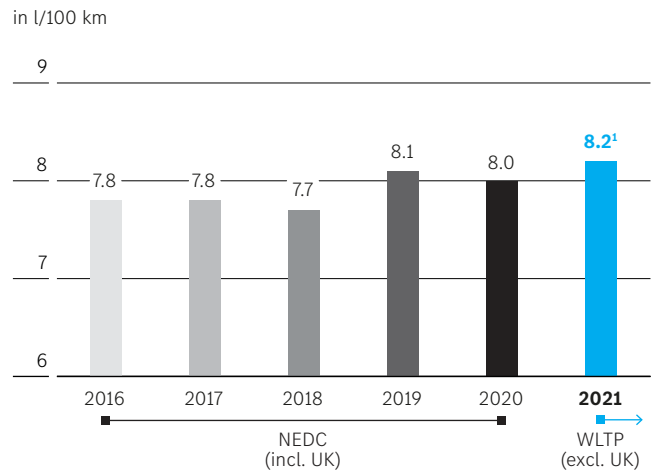
The models of the Mercedes-Benz Sprinter are subject to the GHG regulation for Classes 2b/3. The CO<sub>2</sub> targets in these classes depend on the payload, the towing capacity and the drive type of the vehicles. In the reporting year, the CO<sub>2</sub> emissions of our vehicles were 472 g CO<sub>2</sub>/mi, which is lower than the target value of 495 g CO<sub>2</sub>/mi. We expect our figures to also be lower than the CO<sub>2</sub> target values in the years ahead.

### 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 relevant for our wholly owned subsidiary Mercedes-Benz China (MBCL). The fuel consumption target was 7.16 l/100 km, and the achieved value was 8.24 l/100 km (preliminary figure for the fleet's fuel consumption; if the off-cycle technologies are also included, the final fuel consumption figure may be better). Since 2021, in line with the regulatory requirements, this value has been based on the WLTP certification process and is thus not comparable with the prior year's value. External credits will be purchased at short notice in order to close consumption gaps in the fleet's achievement of the target. We aim to achieve our emission targets in China in the medium term together with our joint venture partner Beijing Benz Automotive (BBAC) by expanding our range of all-electric vehicles and plug-in hybrids.

The V-Class and Vito models, which are produced by the joint venture Fujian Benz Automotive Co., Ltd. (FBAC), form another domestic fleet. The value achieved was 9.27 l/100 km; the target value was 8.09 l/100 km. At the moment, the fleet balance can only be offset by means of a credit transfer. This situation is not likely to change until 2027, because the fleet consists of only a single vehicle type.

### Fuel consumption of the Mercedes-Benz car fleet in China



1 Preliminary value without off-cycle technologies

Legal limits on the fuel consumption and/or CO<sub>2</sub> emissions of car fleets and light truck fleets exist today in many other markets as well, although the target values differ from market to market. The relevant countries here include major sales markets for our products — for example Switzerland, Canada, Japan, South Korea, Brazil, Taiwan, India and Saudi Arabia. We also take these target values into account as we further develop our product range.

## TR-AU-410a.2

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

#### Alternative drive systems at Mercedes-Benz Cars<sup>1</sup>

		2020	2021
Worldwide	Hybrid	115,191	178,526
	Electric drive	47,672	90,082
	Alternative drive systems (total)	162,863	268,608
	<b>MBC unit sales (total)</b>	<b>2,202,579</b>	<b>2,093,476</b>
Europe	Hybrid	91,427	135,431
	Electric drive	37,013	64,966
	Alternative drive systems (total)	128,440	200,397
	<b>MBC unit sales (total)</b>	<b>626,655</b>	<b>548,680</b>

<sup>1</sup> Retail unit sales Mercedes-Benz Cars (incl. V- and X-Class)

#### Alternative drive systems at Mercedes-Benz Vans<sup>1</sup>

		2020	2021
Worldwide	Electric drive	4,519	9,216
	<b>MBV unit sales (total)</b>	<b>325,771</b>	<b>334,165</b>
Europe <sup>2</sup>	Electric drive	3,229	7,074
	<b>MBV unit sales (total)</b>	<b>180,754</b>	<b>179,601</b>

<sup>1</sup> Retail unit sales Mercedes-Benz Vans (commercial)

<sup>2</sup> Vans that are registered as passenger cars + light commercial vehicles (class N1 vehicles)

## TR-AU-410a.3

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

Corporate management is responsible for setting strategic goals, including targets for reducing our CO<sub>2</sub> emissions, and for monitoring the progress made in achieving these goals. The Product Steering Board (PSB) is responsible for monitoring 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. The CO<sub>2</sub> Project and Steering Committee (CO<sub>2</sub> PSC) does the same for the van fleet. In its evaluations, these bodies take 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 new WLTP certification procedure. The PSB is assigned to the Committee for Model Policy and Product Planning, while the CO<sub>2</sub> PSC is assigned to the Van Executive Committee. They report directly to

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.

In order to achieve its long-term climate-protection goal of becoming CO<sub>2</sub>-neutral by 2039, the Mercedes-Benz Group is planning the complete electrification of its product range. By the end of this decade, Mercedes-Benz wants to be all-electric wherever market conditions allow. Mercedes-Benz is accelerating the transformation to an emission-free, software-driven future with this strategic step from “Electric first” to “Electric only”.

## Materials Sourcing

### TR-AU-440a.1

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

We use a variety of measures and concepts to ensure the fulfilment of our due diligence obligations in the supply chain. These include supplier screenings, audits, risk-based due diligence analyses and qualification modules for production material suppliers. These tools are intended to increase the transparency of the supply chain and ensure that the internationally recognised human rights are upheld and other social standards and environmental requirements are met. We use our Human Rights Respect System (HRRS) to make a risk-based and systematic assessment of respect for human rights at our Group companies and in the supply chains. We summarise our many years of commitment to human rights in our Principles of Social Responsibility and Human Rights.

We expect our suppliers of production materials to operate with an environmental management system that is certified according to ISO 14001 or EMAS. Depending on the specific risks, this also applies to suppliers of non-production materials, such as painting services. 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. We also request that our suppliers adhere to the Supplier Sustainability Standards and the associated environmental aspects.

Regarding climate-related risks, we have set ourselves an ambitious climate protection goal along the value chain: to make our entire new vehicle fleet CO<sub>2</sub>-neutral by 2039. It encompasses climate neutrality at our suppliers, CO<sub>2</sub>-neutral production in our production facilities worldwide and the CO<sub>2</sub>-neutrality of our vehicles during the use phase. We also want to drive forward the implementation of our climate neutrality objective at our suppliers and partners. Among other things, we are working together with all of the steel suppliers to create a green steel supply chain.

Several types of raw materials that are needed for the production of electric vehicles are associated with cer-

tain risks. In order to better assess how critical the use of a raw material is or can become, Mercedes-Benz Cars & Vans teamed up with partners from industry and science in 2015 to conduct the ESSENZ research project. The use of the ESSENZ method is based on the life cycle assessment methodology, which makes it possible to systematically analyse the environmental effects of a vehicle along its entire life cycle. The ESSENZ approach not only examines the geological availability of a raw material but also takes socioeconomic factors and social and societal risks into account.

## Materials Efficiency & Recycling

### TR-AU-440b.1

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

In 2020, Mercedes-Benz (based on majority shareholdings) had a waste recycling rate of 97.7%.<sup>3</sup>

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 very start, and it prepares a recycling concept for each new vehicle model. This process includes analysing all the components and materials to find out how suitable they are for the various stages of the recycling process. As a result, Mercedes-Benz car models are 85 per cent recyclable in accordance with ISO 22628. They also comply with the European End-of-Life Vehicles Directive 2000/53/EC, which specifies that 95 per cent of the materials in cars and vans with a gross vehicle weight of up to 3.5 tons have to be capable of being reused or recovered.

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

<sup>3</sup> including waste for energy recovery.

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 aluminum and copper as well as selected large plastic components. The Mercedes-Benz Used Parts Center (MB GTC) is an important element of the recycling chain for keeping raw materials within the business cycle. This captive specialist enterprise was founded in 1996 and dismantles more than 5,000 vehicles each year, ranging from end-of-life automobiles to preowned vehicles and vehicles that have been wrecked in an accident. Our experts inspect the used parts, which have to meet the same high quality standards as new components.

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

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

Mercedes-Benz car models are 85 percent recyclable in accordance with ISO 22 628. Moreover, the European End-of-Life Vehicles Directive 2000/53/EC specifies that 95 percent of the material in passenger cars and vans with a gross vehicle weight of up to 3.5 tons has to be capable of being reused or recovered.



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 utilize our production capacities; price increases for fuel or raw materials; disruption of production due to shortages of materials, labour strikes or supplier insolvencies; a decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization 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 the current Annual Report or in the current Interim Report. If any of these risks and uncertainties materializes 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.