



Lead the Charge Automaker Supply Chain Scorecard - 2026 Edition

The aim of this scorecard is to establish a new expectation – and competitive advantage – for what a clean car really is. Not just an EV, but an EV that is manufactured:

- **Equitably** – respecting and advancing the rights of Indigenous Peoples, workers, and local communities throughout the supply chain.
- **Sustainably** – preserving and restoring environmental health and biodiversity across supply chains, whilst reducing primary resource demand through efficient resource use and increased recycled content.
- **Fossil free** – 100% electric and made with a fossil fuel-free supply chain.

The research and indicator development for the scorecard was led by Pensions & Investment Research Consultants (PIRC), Europe's largest independent corporate governance and shareholder advisory firm, whose work was guided by members of the Lead the Charge coalition. Please refer to the accompanying methodology document for more information on the indicator development and research process.

This document contains the scores obtained by each automaker for each indicator of the scorecard, as well as explanations for why they were awarded these scores and information on the thresholds and benchmarks used for each indicator. Note that the final version of this scorecard will be published as an interactive web page online.

Navigating this document

This document has several worksheets which present the data from the scorecard with differing levels of detail:

[2. Summary | Overall - - this worksheet presents the total scores the automakers received for each of the two main categories \(climate & environment, and human rights\), as well as the total scores for each of their four sub-categories.](#)

[3. Summary | Climate & Environment - this worksheets presents the scores for each indicator of the climate and environment category, which looks at automakers' efforts to ensure fossil-free and environmentally responsible supply chains.](#)

[4. Summary | Respect for Human Rights - this worksheet presents the scores for each indicator of the human rights categories, which looks at efforts by automakers to ensure responsible sourcing and respect for human rights throughout their supply chain](#)

[5. Auto Review | Climate & Environment - this worksheet also presents automakers' scores for each indicator in the climate & environment category but additionally includes the explanation and references for each score they received, as well as information on the respective benchmarks and thresholds applied to each indicator.](#)

[6. Auto Review | Respect for Human Rights - this worksheet also presents automakers' scores for each indicator in the human rights category but additionally includes the explanation and references for each score they received, as well as information on the respective benchmarks and thresholds applied to each indicator.](#)

[8. Weightings - this worksheet provides an overview of the weighting methodology applied to the groups of indicators used for each sub-category. Please see the accompanying methodology document for more information on this weighting methodology](#)

[9. 3rd Party Schemes Assessment - this worksheet shows the results of the assessment of third party auditing and accreditation schemes, which results in point modifiers being applied to some indicators. Please see the accompanying methodology document for more information on this assessment.](#)

Overall scores

Auto	Total score	Fossil Free and Environmentally Sustainable Supply Chains						Human rights and Responsible Sourcing					BEV % of total vehicle sales [^]
		General	Steel	Aluminium	Batteries	Total	Total x IM [~]	General	Transition mineral sourcing	Indigenous Peoples' rights	Workers' rights in the supply chain	Total	
BMW	34%	67%	16%	9%	16%	27%	30%	73%	32%	12%	39%	39%	19%
BYD	14%	18%	0%	8%	20%	12%	13%	38%	12%	0%	13%	16%	53%
Ford	45%	58%	23%	37%	29%	37%	40%	73%	70%	26%	28%	49%	6%
GAC	4%	11%	0%	0%	9%	5%	5%	4%	2%	0%	3%	2%	48%
Geely*	27%	38%	19%	21%	26%	26%	31%	51%	17%	2%	26%	24%	36%
GM	22%	29%	18%	19%	7%	18%	20%	46%	23%	11%	19%	25%	19%
Honda	12%	32%	0%	1%	2%	9%	8%	37%	20%	0%	8%	16%	2%
Hyundai	23%	41%	12%	8%	15%	19%	21%	47%	26%	3%	22%	25%	9%
Kia	21%	51%	7%	4%	10%	18%	20%	44%	25%	6%	19%	23%	12%
Mercedes	41%	51%	28%	26%	36%	35%	39%	62%	35%	26%	48%	42%	11%
Nissan	15%	35%	1%	15%	7%	15%	13%	40%	14%	0%	12%	17%	4%
Renault	31%	49%	5%	10%	39%	26%	28%	52%	34%	17%	36%	35%	12%
SAIC	3%	10%	0%	0%	6%	4%	4%	0%	0%	0%	3%	1%	22%
Stellantis	21%	37%	1%	1%	22%	15%	14%	64%	26%	3%	21%	29%	7%
Tesla	49%	45%	22%	45%	56%	42%	50%	60%	69%	25%	40%	48%	100%
Toyota	9%	20%	0%	0%	12%	8%	7%	18%	19%	0%	3%	10%	2%
Volkswagen	39%	54%	13%	16%	31%	28%	31%	68%	48%	23%	46%	46%	11%
Volvo	44%	53%	58%	55%	17%	46%	55%	64%	37%	8%	20%	32%	23%

[^] Automotive sales data from Marklines. All figures are cumulative annual values for the year 2025. The data covers passenger vehicles only.

*Geely Auto Group data includes Marklines sales data from the Geely, Galaxy, Zeekr and Lynk&Co brands only.

[~]InfluenceMap scores were applied as a multiplier on the C&E section. Autos with a C or above received positive multiplier; below received negative, and autos not evaluated by InfluenceMap received no change. See the Climate & Environment review sheet for details. <https://automotive.influencemap.org/>

LINKED DATA

Summary of fossil-free and environmentally sustainable supply chains scores

Theme	Indicator Category	Indicators	Total Number of Points	Mercedes Points
1. Fossil Free and Environmentally Sustainable Supply Chains (General)	1.1. Disclosure of emissions, water and deforestation management	1.1.1. The company discloses total scope 3 GHG emissions due to purchased goods and services.	2	2
		1.1.2. The company discloses "significant emissions" in its supply chain.	1	0
		1.1.3. The company discloses water usage by key suppliers in its supply chain.	1	0
		1.1.4. The company discloses deforestation and conversion-free commodity volumes from its supply chain	1	0
		DISCLOSE TOTAL	5	2
		DISCLOSE %		40%
	1.2. Target-setting and progress towards fossil free and environmentally sustainable supply chains	1.2.1. The company has set and disclosed a scope 3 SBT (must include reference to upstream/ purchased goods & not only 'Well to Wheel')	2	1
		1.2.2. The company commits to having suppliers provide science-based targets for GHG emissions.	1	0
		1.2.3. The company discloses the current percentage of suppliers providing science-based targets.	1	0
		1.2.4. The company requires all significant suppliers to set water reduction targets and disclose their water usage.	1	0.5
		1.2.5. The company has programs in place to monitor suppliers for compliance with GHG emissions targets and other environmental impacts.	1	1
		1.2.6. The company commits to eliminate deforestation and the conversion of all natural ecosystems from their supply chains.	1	0.25
		TARGET-SETTING & PROGRESS TOTAL	7	2.75
	TARGET-SETTING & PROGRESS %		39%	
	1.3. Use of supply chain levers to achieve fossil free and environmentally sustainable supply chains	1.3.1. The company incentivises suppliers to reduce GHG and other significant air emissions.	1	0.75
		1.3.2. The company implements incentives and control systems to improve water management by suppliers	1	0.6
		1.3.3. The company implements incentives and control systems to eliminate deforestation from its supply chain	1	0.6
		SUPPLY CHAIN LEVERS TOTAL	3	1.95
		SUPPLY CHAIN LEVERS %		65%
	GENERAL CLIMATE AND ENVIRONMENT - TOTAL % SCORE (WEIGHTED)			
2. Fossil Free and Environmentally Sustainable Steel	2.1. Disclosure of scope 3 GHG emissions due to steel supply chains	2.1.1. The company discloses disaggregated GHG emissions for their steel supply chains.	1	0
		DISCLOSE TOTAL	1	0
		DISCLOSE %		0%
	2.2. Target setting and progress towards fossil free and environmentally sustainable steel supply chains	2.2.1. The company has set targets for the use of fossil free and environmentally sustainable steel.	2	0.4
		2.2.2. The company publishes progress towards their target by disclosing the current percentage of fossil-free and/or lower emission steel in their annual production cycle.	1	0.5
		2.2.3. The company has a target for the use of recycled steel by 2030.	2	0
		2.2.4. The company publishes progress towards their target by disclosing the current percentage of recycled steel used in its annual production cycle.	1	0
		TARGET-SETTING & PROGRESS TOTAL	6	0.9
		TARGET-SETTING & PROGRESS %		15%
	2.3. Use of supply chain levers to achieve fossil free and environmentally sustainable steel supply chains	2.3.1. The company participates in multi-stakeholder procurement initiatives to collaborate with other buyers to incentivise investment in and production of fossil free steel at scale.	1	0
		2.3.2. The company participates in multi-stakeholder standard / certification initiatives to drive investment in and production of socially and environmentally sustainable steel at scale.	1	0.45
		2.3.3. The company has entered into formal arrangements with suppliers to incentivise investment in and greater production of fossil free steel.	2	2
		2.3.4. The company integrates improved recyclability of steel into automobile design and manufacturing.	2	0.7
		SUPPLY CHAIN LEVERS TOTAL	6	3.15

Summary of fossil-free and environmentally sustainable supply chains scores				
Theme	Indicator Category	Indicators	Total Number of Points	Mercedes Points
		SUPPLY CHAIN LEVERS %		53%
	STEEL - TOTAL % SCORE (WEIGHTED)			28%
	3.1. Disclosure of scope 3 GHG emissions due to aluminium	3.1.1. The company discloses disaggregated GHG emissions for their aluminium supply chains.	1	0
		DISCLOSE TOTAL	1	0
		DISCLOSE %		0%
	3.1. Disclosure of scope 3 GHG emissions due to aluminium	3.2.1 The company has set targets for the use of fossil free and environmentally sustainable aluminium	2	0.4
		3.2.2. The company publishes progress towards their target by disclosing the current percentage of fossil-free and/or lower emission aluminium in their annual production cycle	1	0.5
		3.2.3. The company has a target to increase use of recycled aluminium by 2030.	2	0
		3.2.4. The company publishes progress towards their target by disclosing the current percentage of recycled aluminium used in its annual production cycle	1	0
		TARGET-SETTING & PROGRESS TOTAL	6	0.9
		TARGET-SETTING & PROGRESS %		15%
	3.3. Use of supply chain levers to achieve fossil free and environmentally sustainable aluminium supply chains	3.3.1. The company participates in multi-stakeholder procurement initiatives to collaborate with other buyers to incentivise investment in and production of fossil free aluminium at scale.	1	0
		3.3.2. The company participates in multi-stakeholder standard / certification initiatives to drive investment in and production of socially and environmentally sustainable aluminium	1	0.4
		3.3.3. The company has entered into formal arrangements with suppliers to incentivise investment in and greater production of fossil free aluminium	2	1.5
		3.3.4. The company integrates improved recyclability of aluminium into automobile design and manufacturing.	2	1
		SUPPLY CHAIN LEVERS TOTAL	6	2.9
		SUPPLY CHAIN LEVERS %		48%
	ALUMINIUM - TOTAL % SCORE (WEIGHTED)			26%
4. Fossil Free and Environmentally Sustainable Batteries	4.1. Disclosure of scope 3 GHG emissions due to battery supply chains	4.1.1. The company discloses disaggregated scope 3 emissions for their battery supply chains, including a total for the whole battery and disaggregated emissions for key battery minerals (cathode / anode active materials)	1	0
		DISCLOSE TOTAL	1	0
		DISCLOSE %		0%
	4.2. Target setting and progress towards fossil free and environmentally sustainable battery supply chains	4.2.1. The company has set a target to produce fossil free and environmentally sustainable batteries.	1	0.25
		4.2.2. The company has set a target to reduce reliance on energy intensive minerals in battery production.	1	0.25
		4.2.3. The company has set collection and/or recovery targets for high intensity battery metals.	1	0.25
		TARGET-SETTING & PROGRESS TOTAL	3	0.75
		TARGET-SETTING & PROGRESS %		25%
	4.3. Use of supply chain levers to achieve fossil free and environmentally sustainable battery supply chains	4.3.1. The company requires all battery manufacturers to use 100% renewable electricity	2	1
		4.3.2. Company engages and/or enters into formal agreements with extractives and other value chain companies to prevent/mitigate adverse environmental impacts of lithium sourcing.	1	0.75
		4.3.3. Company engages and/or enters into formal agreements with extractives and other value chain companies to prevent/mitigate adverse environmental impacts of nickel sourcing.	1	0.5

Summary of fossil-free and environmentally sustainable supply chains scores

Theme	Indicator Category	Indicators	Total Number of Points	Mercedes Points
		4.3.4. Company engages and/or enters into formal agreements with extractives and other value chain companies to prevent/mitigate adverse environmental impacts of cobalt sourcing.	1	0.5
		4.3.5. The company participates in multi-stakeholder initiatives to collaborate with other buyers to incentivise investment in and production of fossil free and environmentally sustainable batteries at scale.	1	0
		4.3.6. The company invests in the development of new battery chemistries & technologies that minimize their overall material and carbon footprint by reducing the use of emissions-intensive minerals and toxic materials	2	2
		4.3.7. The company invests in the development of new battery designs, technologies, systems and/or processes to maximize the safe and effective recycling of EV batteries	1	1
		4.3.8. The company has established processes for battery repair, reuse and repurposing in order to maximize the usable lifespan of its EV batteries.	1	0.5
		4.3.9. The company has established closed-loop processes in order to maximize the recycling of end-of-life EV batteries	1	0.5
		SUPPLY CHAIN LEVERS TOTAL	11	6.75
		SUPPLY CHAIN LEVERS %		61%
	BATTERIES - TOTAL % SCORE (WEIGHTED)			36%
Climate Influence	Influence Map Performance Band: https:	Multiplier applied:		1.1

CLIMATE AND ENVIRONMENT - TOTAL NORMALIZED	18.0	6.4
CLIMATE AND ENVIRONMENT - TOTAL % SCORE (WEIGHTED)		35%
CLIMATE AND ENVIRONMENT - TOTAL NORMALIZED + IM MULTIPLIER		7.0
CLIMATE AND ENVIRONMENT - TOTAL % SCORE (WEIGHTED) + IM MULTIPLIER		39%

Summary of human rights & responsible sourcing scores

Sub-section	Indicator Category	Indicators	Total Number of Points	Mercedes Points
1. Responsible Sourcing: General HR indicators	1.1. Commit	1.1.1. The company has a public commitment to human rights.	1	1
		1.1.2. The company extends their human rights commitments to their Tier 1 suppliers and beyond.	2	2
		COMMIT TOTAL	3	3
		COMMIT %		100%
	1.2. Identify	1.2.1. The company has a process in place to assess salient human rights risks in their supply chain.	1	1
		1.2.2. The company discloses the salient human rights risks in their supply chain and where they are located.	1	1
		1.2.3. The company has a process for identifying high risk supplier categories in their supply chain.	1	1
		IDENTIFY TOTAL	3	3
		IDENTIFY %		100%
	1.3. Prevent, Mitigate and Account	1.3.1. The company assesses the risk of adverse human rights impacts with suppliers prior to entering into any contracts.	2	1
		1.3.2. The company discloses how it monitors suppliers for compliance with the SCoC during the contract period.	2	0.8
		1.3.3. The company reports on how it is prepared to respond if it finds non-conformances with the SCoC	1.5	1
		1.3.5. The company discloses how they verify the implementation of corrective actions.	1	0
		PREVENT, MITIGATE & ACCOUNT TOTAL	6.5	2.8
		PREVENT, MITIGATE & ACCOUNT %		43%
	1.4. Remedy	1.4.1. The company has put in place a formal mechanism whereby workers, suppliers, suppliers' workers (in any tier) and other external stakeholders can raise grievances regarding adverse human rights impacts in their supply chain to an impartial entity.	2	0.6
		1.4.3. The company discloses data about the practical operation of their grievance mechanism, such as the number of grievances filed, addressed, and resolved, their type, severity and outcome.	1	0
		1.4.4. The company has put in place a remedy process for its supply chain.	2	1
		REMEDY TOTAL	5	1.6
		REMEDY %		32%
GENERAL HUMAN RIGHTS - TOTAL % SCORE (WEIGHTED)			62%	
2. Responsible Sourcing of Transition Minerals	2.1. Commit	2.1.1. The company has a commitment to responsible metals and minerals sourcing.	1	1
		2.1.2. The company requires its suppliers to undertake due diligence in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas (CAHRAs)	2	1.2
		COMMIT TOTAL	3	2.2
		COMMIT %		73%
	2.2. Identify	2.2.1. The company has a process in place to map transition minerals (e.g. nickel, lithium, cobalt, copper, manganese, zinc) in their supply chains to the point of extraction.	2	2
		2.2.2. The company discloses conflict minerals risks in their supply chain and where they are located.	1	0.25
		2.2.3. The company discloses broader transition minerals risks in their supply chain and where they are located.	1	1

Summary of human rights & responsible sourcing scores

Sub-section	Indicator Category	Indicators	Total Number of Points	Mercedes Points	
		2.2.4. The company publishes a list of smelters or refiners (SoR) in its supply chain	1	0	
		2.2.5. The company discloses which of the SoRs in its supply chain are conformant with the Responsible Minerals Initiative (RMI).	1	0	
		IDENTIFY TOTAL	6	3.25	
		IDENTIFY %		54%	
	2.3. Prevent, Mitigate and Account	2.3.1. The company discloses how it monitors suppliers for compliance with the transition minerals due diligence requirements.	2	0.8	
		2.3.2. The company formally engages SoRs to build their capacity to conduct due diligence of their own supply chains.	2	0.5	
		2.3.3. The company formally engages extractives companies and includes human rights clauses in any contractual arrangements.	2	0	
		2.3.4. The company is a member of IRMA and actively engages their suppliers with regards to IRMA mining audits.	2	1.6	
		Note: IRMA does not excuse companies from doing their own supply chain due diligence			
		2.3.5. The company reports on how it is prepared to respond if it finds non-conformances associated with its responsible minerals sourcing policy occurring in its operations or supply chains.	1.5	1	
		2.3.6. The company discloses how they verify the implementation of corrective actions.	1	0	
			PREVENT, MITIGATE & ACCOUNT TOTAL	10.5	3.9
		PREVENT, MITIGATE & ACCOUNT %		37%	
	2.4. Remedy	2.4.1. The company has put in place a formal mechanism whereby grievances can be raised about SoR facilities.	1	0	
		REMEDY TOTAL	1	0	
		REMEDY %		0%	
		TRANSITION MINERALS - TOTAL % SCORE (WEIGHTED)		35%	
3. Indigenous Peoples' Rights and Free Prior and Informed Consent (FPIC)	3.1. Commit	3.1.1. The company explicitly commits to respecting the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).	1	0	
		3.1.2. The company has a public commitment to FPIC.	1	0	
		3.1.3. The company requires its tier 1 suppliers to respect Indigenous Peoples' rights	2	1.5	
		3.1.5. These commitments are translated into the languages used by the impacted Indigenous Peoples.	1	0	
		COMMIT TOTAL	5	1.5	
		COMMIT %		30%	
	3.2. Identify	3.2.1. The company has a process in place to assess risks to Indigenous Peoples' rights in their supply chain to the point of extraction.	1	0.5	
		IDENTIFY TOTAL	1	0.5	
		IDENTIFY %		50%	
	3.3. Prevent, Mitigate and Account	3.3.1. The company provides additional discussion regarding the practices by which suppliers must obtain FPIC	1	0.25	
		3.3.2. The company is a member of a multi-stakeholder group (e.g. IRMA) that includes the participation of Indigenous Peoples to ensure respect of Indigenous Peoples' rights at the point of extraction.	2	1.6	

Summary of human rights & responsible sourcing scores

Sub-section	Indicator Category	Indicators	Total Number of Points	Mercedes Points	
		3.3.3. The company has a formal process in place to engage critical upstream suppliers on FPIC (e.g. extractives companies)	2	0	
		3.3.4. The company reports on how it is prepared to respond if it finds FPIC breaches in its supply chain.	1	0	
		PREVENT, MITIGATE & ACCOUNT TOTAL	6	1.85	
		PREVENT, MITIGATE & ACCOUNT %		31%	
	3.4. Remedy	3.4.1. The company's grievance mechanism has a process for investigating and remedying breaches of FPIC that includes a formal role for impacted Indigenous Peoples.	1	0	
		REMEDY TOTAL	1	0	
		REMEDY %		0%	
	INDIGENOUS RIGHTS - TOTAL % SCORE (WEIGHTED)				26%
	4. Respect for Workers' Rights	4.1. Commit	4.1.1. The company has a commitment to workers' rights	1	0.5
			4.1.2. The company extends their workers' rights commitments to their Tier 1 suppliers and beyond.	2	1
Note: only the specific worker rights commitments are evaluated here. Whether or not these commitments are extended beyond tier 1 suppliers is evaluated in the "General" human rights section.					
COMMIT TOTAL			3	1.5	
COMMIT %				50%	
4.2. Identify		4.2.1. The company consults trade unions and/or workers' representatives in their assessment of salient workers' rights risks in their supply chain.	1	1	
		4.2.2. The company discloses the salient workers rights risks in their supply chain and where they are located.	1	1	
		IDENTIFY TOTAL	2	2	
		IDENTIFY %		100%	
4.3. Prevent, Mitigate and Account		4.3.1. The company actively collaborates with workers and the representative organisation(s) of workers' own choosing to promote respect for workers' rights in its supply chain.	2	2	
		4.3.2. The company reports on how it is prepared to respond if it finds non-conformances associated with its workers' rights policy occurring in its operations or supply chains.	1.5	1	
		4.3.3. The company works with the relevant trade union and/or worker representative organisation to verify the implementation of corrective actions pertaining to workers' rights.	2	0	
		PREVENT, MITIGATE & ACCOUNT TOTAL	5.5	3	
		PREVENT, MITIGATE & ACCOUNT %		55%	
4.4. Remedy		4.4.1 Workers and the representative organisations of workers' own choosing are formally included in the remedy process.	1	0	
		REMEDY TOTAL	1	0	
		REMEDY %		0%	
WORKERS' RIGHTS - TOTAL % SCORE (WEIGHTED)				48%	

Summary of human rights & responsible sourcing scores

Sub-section	Indicator Category	Indicators	Total Number of Points	Mercedes Points
HUMAN RIGHTS - TOTAL NORMALIZED			26.0	11.0
HUMAN RIGHTS - TOTAL % SCORE (WEIGHTED)				42%

Company analysis - fossil-free and environmentally sustainable supply chains

Theme	Indicator Category	Indicators	Total Number of Points	Score Attribution (Scores are cumulative unless otherwise specified)	Mercedes Analysis	Mercedes Points
1. Fossil Free and Environmentally Sustainable Supply Chains (General)	1.1. Disclosure of emissions, water and deforestation management	1.1.1. The company discloses total scope 3 GHG emissions due to purchased goods and services.	2	<p>The following scores are absolute, not cumulative: 100%: The company discloses scope 3 GHG emissions due to purchased goods and services.</p> <p>25%: The company includes scope 3 GHG emissions including purchased goods and services in overall disclosure, but does not disaggregate.</p> <p>Note: the company may achieve additional points under each of the supply chain areas below, if they provide disaggregated emissions against each supply chain.</p>	<p>Mercedes-Benz discloses its scope 3 GHG emissions due to purchased goods and services (2024 AR, p. 154).</p> <p>Annual Report 2024 with Integrated Sustainability Report</p>	2
		1.1.2. The company discloses "significant emissions" in its supply chain.	1	<p>Based on GRI 305-7, significant emissions include:</p> <ul style="list-style-type: none"> i. NOx ii. SOx iii. Persistent organic pollutants (POP) iv. Volatile organic compounds (VOC) v. Hazardous air pollutants (HAP) vi. Particulate matter (PM) vii. Other standard categories of air emissions identified in relevant regulations <p>The following scores are absolute not cumulative: 100%: the company discloses significant emissions against all of the above categories by key suppliers in its supply chain. The company will need to define its key suppliers if it does not disclose this information for the whole supply chain.</p> <p>50%: the company discloses significant emissions against some of the above categories for part of its supply chain.</p>	<p>Mercedes-Benz discloses the emissions of VOC and NOx of its own operations, without covering the supply chain in 2024 AR (p. 162).</p> <p>Mercedes discloses the volume of NOx, SO2, and NMVOC (non-methane volatile organic compounds) emissions in its Life Cycle Assessment (LCA) results for several vehicle models such as the EQA (p. 12) and CLA (p. 14) with EQ technology. Although not explicitly stated, it appears that these figures include both upstream and downstream emissions. However, points are not awarded because it is not possible to determine how much of the disclosed NOx, SO2 and NMVOC are attributed to the supply chain and how much are attributed to the use phase of the vehicle. This is in contrast to the CO2 emissions disclosed in the same table, for which Mercedes provides a breakdown of the respective emissions from the car production process, electricity generation and end of life (EQA 360 Environmental Check, p. 9; CLA 360 Environmental Check p. 8).</p> <p>Annual Report 2024 with Integrated Sustainability Report https://group.mercedes-benz.com/documents/sustainability/reports/mercedes-benz-sustainability-report-2023.pdf</p> <p>360 Environmental Check EQA https://group.mercedes-benz.com/documents/sustainability/product/mercedes-benz-umweltcheck-mb-eqa-2024-en.pdf</p> <p>360 Environmental Check CLA with EQ Technology https://group.mercedes-benz.com/documents/sustainability/product/mercedes-benz-lifecycle-compact-cla-2024-en.pdf</p>	0
		1.1.3. The company discloses water usage by key suppliers in its supply chain.	1	<p>According to GRI 303, water usage includes:</p> <ul style="list-style-type: none"> - water withdrawn - water consumed - water discharged <p>The following scores are absolute not cumulative: 100%: the company provides data against all of the above indicators for key suppliers in its supply chain. The company will need to define key suppliers if they do not disclose this information for their whole supply chain.</p> <p>50%: the company provides data against some of the above indicators for part of its supply chain.</p>	<p>Mercedes-Benz discloses the water consumption from its own production, without covering the supply chain (2024 AR, p. 166).</p> <p>Annual Report 2024 with Integrated Sustainability Report https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf</p>	0

Company analysis - fossil-free and environmentally sustainable supply chains

Theme	Indicator Category	Indicators	Total Number of Points	Score Attribution (Scores are cumulative unless otherwise specified)	Mercedes Analysis	Mercedes Points
		1.1.4. The company discloses deforestation and conversion-free commodity volumes from its supply chain	1	<p>50%: The company discloses the percentage of high-risk hard commodity volumes sourced that are compliant with the company's requirements or policies on deforestation and conversion. OR 25%: The company discloses deforestation and conversion-free commodity volumes from at least one of its key high-risk hard commodities</p> <p>50%: The company discloses the percentage of high-risk soft commodity volumes sourced that are compliant with the company's requirements or policies on deforestation and conversion. OR 25%: The company discloses deforestation and conversion-free commodity volumes from at least one of its key high-risk soft commodities</p> <p>MODIFIER: Half points will be awarded if a company discloses information that meets any of the above criteria but only for part of its supply chain</p> <p>High-risk commodities are identified with the SBTN's High Impact Commodities List. Relevant commodities for automotive supply chains include Copper, Iron, Lithium, Nickel, Bauxite/Aluminum, Zinc and Manganese (hard commodities), and Leather and Rubber (soft commodities).</p>	Not disclosed.	0
	1.2. Target-setting and progress towards fossil free and environmentally sustainable supply chains	1.2.1. The company has set and disclosed a scope 3 SBT (must include reference to upstream/purchased goods & not only 'Well to Wheel')	2	<p>The following scores are absolute, not cumulative: 100%: the company has disclosed verified science-based targets that include scope 3, including 2050 (or sooner) and interim year target(s), and has also disclosed a disaggregated interim target for upstream/purchased goods (scope 3 category 1)</p> <p>50%: the company discloses a lifecycle target that includes upstream/purchased goods, including 2050 (or sooner) and interim year target(s), and/or does not indicate if its target(s) has been verified as science-based.</p> <p>25%: the company only discloses a 2050 zero emissions target with no interim target and/or does not specify upstream/purchased goods.</p>	<p>Mercedes has disclosed its "Ambition 2039", which aims to create a net carbon-neutral new vehicle fleet along the entire value chain and over the vehicle's entire life cycle by 2039. This includes a target for "all production materials procured by Mercedes-Benz Cars and Mercedes-Benz Vans are net carbon-neutral by 2039" (Climate Transition Action Plan 2025, p. 5).</p> <p>In terms of interim targets, the Group aims to reduce CO₂ emissions per passenger car in the new vehicle fleet up to 50 % across all stages of the value chain over the entire life cycle within the next decade, compared to 2020 (p. 7). This target therefore includes the upstream value chain. Mercedes has also set additional interim targets covering scopes 1 and 2, renewable energy usage, logistics and the share of electrified vehicles. However, the company has not set a disaggregated interim target for purchased goods and services specifically.</p> <p>Although its 2030 target of reducing the CO₂ emissions of its new vehicle fleet during the use phase by more than 40% compared to 2018 has been confirmed by the SBTi, this does not include the upstream/purchased goods section of the value chain (Climate Transition Action Plan 2025, p. 9).</p> <p>Climate Transition Action Plan 2025 https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-climate-transition-action-plan-2025.pdf</p>	1

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Theme	Indicator Category	Indicators	Total Number of Points	Score Attribution (Scores are cumulative unless otherwise specified)	Mercedes Analysis	Mercedes Points
		1.2.2. The company commits to having suppliers provide science-based targets for GHG emissions.	1	<p>The following scores are absolute not cumulative.</p> <p>100%: the company requires all its tier 1 suppliers to set science-based targets. They also require tier 2 suppliers to set science-based targets.</p> <p>75%: the company requires all its tier 1 suppliers set science-based targets.</p> <p>50%: the company commits to having at least 70% of its key suppliers by emissions setting science-based targets within 2 years.</p> <p>25%: company commits to having suppliers setting science-based emissions targets, but does not provide a target date or target date is more than 2 years away.</p> <p>0%: Company does not have a commitment.</p>	<p>In its latest Responsible Sourcing Standards (2025, p. 9), Mercedes indicates that “Partners for sourcing production materials must commit to the material- and component- specific CO2 targets of the Mercedes-Benz Group. These are agreed and documented between the Partners as part of the contract award process.” Mercedes no longer requires partners to have their climate protection targets assessed in accordance with SBTi, which was a statement included in the previous version.</p> <p>Instead, Mercedes requires suppliers to sign the “Ambition Letter”, which is contractually mandatory for all new contracts, including a guarantee that from 2039 they will only supply products that are net carbon-neutral. It also includes target values for CO2 emissions in the award criteria, especially for CO2 intensive components and materials (2024 AR, p. 138). However, it is unclear if there is any requirement for these targets to be science-based targets.</p> <p>Responsible Sourcing Standard (2025). https://supplier.mercedes-benz.com/docs/DOC-2671</p> <p>Annual Report 2024 with Integrated Sustainability Report https://group.mercedes-benz.com/documents/sustainability/reports/mercedes-benz-sustainability-report-2023.pdf</p>	0
		1.2.3. The company discloses the current percentage of suppliers providing science-based targets.	1	<p>25%: the company discloses the current percentage of tier 1 suppliers providing science-based targets.</p> <p>25%: the company discloses the current number and/or percentage of tier 2 suppliers providing science-based targets.</p> <p>25%: additional points for over 50% of tier 1 suppliers providing science-based targets</p> <p>25%: additional points for all tier 1 suppliers providing science-based targets.</p>	Not disclosed.	0
		1.2.4. The company requires all significant suppliers to set water reduction targets and disclose their water usage.	1	<p>50%: the company requires tier 1 suppliers to set water reduction targets</p> <p>50%: the company requires tier 1 suppliers to disclose their water usage. According to GRI 303, water usage includes:</p> <ul style="list-style-type: none"> - water withdrawn - water consumed - water discharged 	<p>Mercedes states that “On request, the Partner is to report data on its water extraction, water consumption and wastewater to the Mercedes-Benz Group.” (Responsible Sourcing Standards, p. 10). This indicates that suppliers are obliged to prepare for water usage disclosure.</p> <p>Responsible Sourcing Standard (2025). https://supplier.mercedes-benz.com/docs/DOC-2671</p>	0.5

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Theme	Indicator Category	Indicators	Total Number of Points	Score Attribution (Scores are cumulative unless otherwise specified)	Mercedes Analysis	Mercedes Points
		1.2.5. The company has programs in place to monitor suppliers for compliance with GHG emissions targets and other environmental impacts.	1	<p>50%: The company has a process that includes reducing GHGs and other environmental impacts, and includes targets as a basis for compliance.</p> <p>OR</p> <p>25%: The company has a process that includes reducing GHGs and other environmental impacts, but lacks targets as a basis for compliance.</p> <p>PLUS</p> <p>25%: the company provides quantitative information of the number of suppliers audited and the tiers that are audited.</p> <p>25%: the company provides qualitative case studies of how they have engaged suppliers on their targets.</p>	<p>Mercedes uses the "Ambition Letter," signed by 84% of production material suppliers, to contractually mandate that suppliers supply net carbon-neutral products by 2039 at the latest. Mercedes states that "The implementation of concrete actions to reduce CO2 emissions is discussed directly with suppliers. Progress in reducing CO2 emissions in the supply chain is reported at regular intervals to the Group Sustainability Committee (GSC)." (2024 AR, p. 139) Mercedes-Benz Cars has also integrated target values for CO₂ emissions into the award criteria, with a focus on CO₂-intensive components and materials (Climate Transition Plan 2025, p. 22).</p> <p>Mercedes discloses that it has engaged with third-party consultancy RCS Global to conduct supply chain audits since 2018 and discloses the number of audits that have been conducted by 2023 on its website (cited in 2024 Raw Material Report, p. 43). Mercedes discloses in its 2024 AR (p. 217) that it continues to conduct risk-based audits in 2024. However, the annual report does not provide any update on the number of audits conducted across its supply chain. On the other hand, Mercedes discloses the number the company conducted 54 audits along its battery cell supply chain (among the 346 suppliers and subsuppliers from battery cell providers to mine sites) between 07/2023 and 06/2024, and specifies that "among these 54 audits, 16 extensive environmental audits have been conducted, piloting our approach to environmental due diligence" in its 2024 Raw Material Report (p. 79). This disclosure makes it eligible to score for the third sub-indicator.</p> <p>Responsible Sourcing Standard (2025) https://supplier.mercedes-benz.com/docs/DOC-2671</p> <p>Annual Report 2024 with Integrated Sustainability Report https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf</p> <p>2024 Raw Materials Report (November 2024) https://group.mercedes-benz.com/dokumente/nachhaltigkeit/produktion/mercedes-benz-raw-material-report.pdf</p> <p>Company webpage: Audited raw materials and less cobalt in future battery cells (cited in 2024 Raw Material Report, p. 43) https://group.mercedes-benz.com/sustainability/human-rights/supply-chains/future-battery-cell-audited-raw-materials-less-cobalt.html</p>	1

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Theme	Indicator Category	Indicators	Total Number of Points	Score Attribution (Scores are cumulative unless otherwise specified)	Mercedes Analysis	Mercedes Points
		1.2.6. The company commits to eliminate deforestation and the conversion of all natural ecosystems from their supply chains.	1	<p>The following scores are absolute, not cumulative:</p> <p>100%: The company has time-bound targets to eliminate deforestation and the conversion of natural ecosystems from their supply chain.</p> <p>OR</p> <p>100%: The company has time-bound targets to eliminate sourcing of high-risk commodities from areas of High Carbon Stock (HCS) and High Conservation Value (HCV).</p> <p>75%: The company has time-bound targets to eliminate deforestation and conversion of natural ecosystems in the supply chain of at least one of its high-risk hard commodities, and at least one soft-commodity.</p> <p>OR</p> <p>75%: The company has time-bound targets to eliminate sourcing from areas of High Carbon Stock (HCS) and High Conservation Value (HCV) for at least one of its high-risk hard commodities, and at least one soft-commodity.</p> <p>50%: The company has time-bound targets to eliminate deforestation and conversion of natural ecosystems in the supply chain of at least one of its high-risk commodities.</p> <p>OR</p> <p>50%: The company has time-bound targets to eliminate sourcing from areas of High Carbon Stock (HCS) and High Conservation Value (HCV) for at least one of its high-risk commodities.</p> <p>25%: The company has a general commitment or policy to halt deforestation and the conversion of natural ecosystems in its supply chains, which extends beyond illegal deforestation or conversion.</p>	<p>Mercedes has a general commitment to “Deforestation-Free Supply Chains” and has related policy for its suppliers in its Responsible Sourcing Policy (p. 10). However, there is no time-bound target.</p> <p>Responsible Sourcing Standard (2025) https://supplier.mercedes-benz.com/docs/DOC-2671</p>	0.25
	1.3. Use of supply chain levers to achieve fossil free and environmentally sustainable supply chains	1.3.1. The company incentivises suppliers to reduce GHG and other significant air emissions.	1	<p>50%: the company specifies that sustainability and/or ESG are included as factors for choosing a preferred supplier.</p> <p>25%: the company specifies that GHG emissions are included in the tender and contracting process.</p> <p>25%: the company specifies that "other significant air emissions" targets are included in the tender and contracting process.</p> <p>As companies are unlikely to publish their contract information, references may be found in sustainability reports, procurement policies, etc.</p>	<p>Mercedes requires suppliers to sign the “Ambition Letter”, which is contractually mandatory for all new contracts, including a guarantee that from 2039 they will only supply products that are net carbon-neutral. It also includes target values for CO2 emissions in the award criteria, especially for CO2 intensive components and materials (2024 AR, p. 138).</p> <p>Mercedes does not disclose if or how other significant air emissions are assessed in the contracting process.</p> <p>Responsible Sourcing Standard (2025) https://supplier.mercedes-benz.com/docs/DOC-2671</p> <p>Annual Report 2024 with Integrated Sustainability Report https://group.mercedes-benz.com/documents/sustainability/reports/mercedes-benz-sustainability-report-2023.pdf</p>	0.75

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Theme	Indicator Category	Indicators	Total Number of Points	Score Attribution (Scores are cumulative unless otherwise specified)	Mercedes Analysis	Mercedes Points
		1.3.2. The company implements incentives and control systems to improve water management by suppliers	1	<p>20%: The company's Supplier Code of Conduct and / or Responsible Sourcing Policy includes specific requirements for suppliers with regards to water management and conservation (e.g. having in place a water management plan).</p> <p>40%: The company has established purchase control systems to incentivize improved water management by (potential) new suppliers (e.g. water management is explicitly taken into account in the tender process and is a factor in selecting suppliers).</p> <p>40%: The company has operationalized policies, systems and/or processes to manage risks and address impacts of water depletion/pollution by (existing) suppliers (e.g. the company discloses specific water risks it has identified as part of its supply chain risk assessment process; the company provides evidence of how they have engaged with, or suspended, noncompliant suppliers on water management, etc.). Note: generic claims (e.g. simply stating that the company assesses / manages water-related risks) are insufficient — companies must explain the specific mechanisms used and/or provide concrete examples or data to illustrate implementation.</p>	<p>Mercedes includes general requirements for suppliers to have environmental management systems, with reference to water consumption and waste management (Responsible Sourcing Standard, p. 10).</p> <p>Mercedes' 2024 Raw Material Report provides several examples of risks of water depletion and/or pollution that the company has identified in its supply chain, as well as evidence of how the company has engaged with suppliers on these issues, for example, in the lithium supply chain (p. 107). In its 2024 CDP Questionnaire Water section (Q9.3), Mercedes also indicates that "We have not assessed this value chain stage for facilities with water-related dependencies, impacts, risks, and opportunities, but we are planning to do so in the next 2 years".</p> <p>The company does not disclose if or how it considers impacts on water in the supplier selection process.</p> <p>Responsible Sourcing Standard (2025) https://supplier.mercedes-benz.com/docs/DOC-2671</p> <p>2024 Raw Materials Report (November 2024) https://group.mercedes-benz.com/dokumente/nachhaltigkeit/produktion/mercedes-benz-raw-material-report.pdf</p>	0.6
		1.3.3. The company implements incentives and control systems to eliminate deforestation from its supply chain	1	<p>20%: The company's Supplier Code of Conduct and / or Responsible Sourcing Policy includes specific requirements for suppliers with regards to deforestation and land conversion.</p> <p>40%: The company has established purchase control systems to incentivize compliance on deforestation and land conversion by (potential) new suppliers (e.g. deforestation is explicitly taken into account in the tender process and is a factor in choosing a preferred supplier).</p> <p>40%: The company has operationalized policies, systems and/or processes to manage risks and address impacts of deforestation and land conversion by existing suppliers (e.g. the company discloses specific deforestation risks it has identified as part of its supply chain risk assessment process; the company provides evidence of how they have engaged with, or suspended, noncompliant suppliers on deforestation, etc.). Note: generic claims (e.g. simply stating that the company assesses / manages deforestation risks) are insufficient — companies must explain the specific mechanisms used and/or provide concrete examples or data to illustrate implementation.</p>	<p>Mercedes includes general requirements for suppliers regarding deforestation (Responsible Sourcing Standards, p. 14).</p> <p>Mercedes discloses that "For future model series, the company aims to secure leather from producers certified to the Gold Standard of the Leather Working Group. This includes, among other things, the requirement to reduce water, energy, and chemical usage in the tanning process." (2024 AR, p. 176). However, it is unclear if this requirement is already applied in practice. As a result, it does not get points for the second sub-indicator. The company does not disclose additional information on how it addresses deforestation risks with (potential) new suppliers prior to entering into contracts.</p> <p>The company requires suppliers to take due diligence measures against the risks of the conversion of natural forests and other natural ecosystems (2024 AR, p. 169). Mercedes also provides evidence of engagement with leather suppliers in Brazil to address deforestation risks (2024 AR, p. 171) and its requirement for suppliers/mines of cobalt, lithium, nickel, graphite, manganese and copper to go through IRMA audit, which covers biodiversity related impact near the mining area (2024 AR, p. 170).</p> <p>Responsible Sourcing Standard (2025) https://supplier.mercedes-benz.com/docs/DOC-2671</p> <p>Annual Report 2024 with Integrated Sustainability Report https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf</p>	0.6

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Theme	Indicator Category	Indicators	Total Number of Points	Score Attribution (Scores are cumulative unless otherwise specified)	Mercedes Analysis	Mercedes Points
2. Fossil Free and Environmentally Sustainable Steel	2.1. Disclosure of scope 3 GHG emissions due to steel supply chains	2.1.1. The company discloses disaggregated GHG emissions for their steel supply chains.	1	<p>The following scores are absolute, not cumulative:</p> <p>100%: The company discloses scope 3 GHG emissions for purchased goods and services, disaggregated for their steel supply chains</p> <p>50%: The company discloses a Life Cycle Assessment (LCA) for at least one electric vehicle model that includes disaggregated data on the embodied GHG emissions from the steel used in that vehicle.</p>	<p>The company has published “360°Environmental Check” for some of its models, which includes vehicle model level CO2 emissions data, as well as a breakdown of the material composition (by weight) of different materials used in the vehicles, including “Steel/ferrous materials.” However, disaggregated data on the embodied emissions from the steel used in the vehicle is not provided.</p> <p>360° Environmental check (quoted in 2024 AR, p. 144) https://group.mercedes-benz.com/responsibility/sustainability/climate-environment/environmental-check/</p> <p>360° Environmental check Mercedes-Benz E-Class https://group.mercedes-benz.com/documents/sustainability/product/mercedes-benz-environmental-check-e-class-e300e.pdf</p>	0
	2.2. Target setting and progress towards fossil free and environmentally sustainable steel supply chains	2.2.1. The company has set targets for the use of fossil free and environmentally sustainable steel.	2	<p>The scores below are absolute, not cumulative:</p> <p>100%: the company has a commitment to source 100% fossil-free steel by 2040, and has set interim targets to source at least 10% fossil-free steel AND 50% lower emission steel by 2030.</p> <p>80%: the company has a commitment to source 100% fossil-free steel by 2050, and has set interim targets to source at least 10% fossil-free steel AND 50% lower emission steel by 2030.</p> <p>60%: the company has set a target to source at least 10% fossil-free steel OR 50% lower emission steel by 2030.</p> <p>40%: the company has set an emissions reduction target for its steel supply chain that is aligned with the IEA Net Zero Roadmap (2023 version), specifically a 27% reduction by 2030 and 90% by 2050.</p> <p>20%: the company has a commitment to net zero steel by 2050 and/or a 2030 steel supply chain emissions reduction target that falls short of the above-mentioned thresholds.</p> <p>Note: For definitions of fossil-free steel and lower emission steel used in this indicator and those below, as well as comparisons with definitions from other standards and schemes, please refer to the methodology document.</p>	<p>Mercedes discloses its intention to purchase over 200,000 tonnes of CO2-reduced steel annually from suppliers for its press plants by the end of this decade (2024 AR, p. 140). However, it is unclear what percentage of the company’s total global steel consumption this represents.</p> <p>Mercedes has a target that all production materials procured by Mercedes-Benz Cars and Mercedes-Benz Vans must be net carbon-neutral by 2039 in line with its “Ambition 2039”, which includes steel (2024 AR, p. 137). Mercedes also discloses that “quantitative interim targets for CO2 emissions in the supply chains were derived from the results of the supplier discussions, and the target values were integrated into the award criteria” (p. 139), which indicates that steel suppliers need to set 2030 targets. However, Mercedes does not disclose any of the targets agreed with steel suppliers. Thus, it is not possible to deduce if these targets align with the above-mentioned thresholds.</p> <p>Annual Report 2024 with Integrated Sustainability Report https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf</p>	0.4

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Theme	Indicator Category	Indicators	Total Number of Points	Score Attribution (Scores are cumulative unless otherwise specified)	Mercedes Analysis	Mercedes Points
		2.2.2. The company publishes progress towards their target by disclosing the current percentage of fossil-free and/or lower emission steel in their annual production cycle.	1	<p>The scores below are absolute, not cumulative: 100%: The company discloses the current percentage of lower emission and/or fossil-free steel in its production cycle</p> <p>50%: The company partially discloses the quantity of fossil-free and/or lower emission steel used in its annual production cycle, e.g., in the form of an absolute amount instead of a percentage or only for some elements within its annual production cycle.</p>	<p>In the LCAs/360 checks for some of the newest models, Mercedes discloses the amount of steel that comes from EAFs that use renewable energy. For example as for CLA: "Around 39 kg of steel from electric arc furnaces, which are manufactured using electricity from renewable energy sources, is used for the steel scopes produced inhouse in our own stamping plants." (360 Environmental Check CLA with EQ Technology, p. 11). Mercedes also mentions that steel is 45% of the weight of the vehicle (p. 11), and that the total weight is 1980kg (p. 8), which implies that about 4.4% of the steel comes from electric arc furnaces using electricity from renewable energy sources.</p> <p>In addition, Mercedes has disclosed offtake agreements that include lower emission steel already delivered, with the amount of steel supply included in the agreement. According to the company: "Mercedes-Benz AG has also signed a supply contract for the plant in Alabama (USA) with Steel Dynamics, Inc. (SDI) for more than 50,000 tonnes of CO2-reduced steel per year, which has been integrated into production since September 2023. The steel supplied by SDI is produced in an EAF that runs on 100% green electricity. In addition, the flat steel has a scrap content of at least 70% and is used in all Mercedes-Benz models produced in Tuscaloosa (USA)." (2023 Sustainability Report, p. 88)</p> <p>Although Mercedes does not disclose the current percentage of lower emission and/or fossil-free steel in its annual production cycle overall, the above-mentioned disclosures meet the 50% scoring threshold.</p> <p>360 Environmental Check CLA with EQ Technology https://group.mercedes-benz.com/documents/sustainability/product/mercedes-benz-lifecycle-compact-cla-2024-en.pdf 2023 Sustainability Report https://group.mercedes-benz.com/documents/sustainability/reports/mercedes-benz-sustainability-report-2023.pdf</p>	0.5
		2.2.3. The company has a target for the use of recycled steel by 2030.	2	<p>The scores below are absolute, not cumulative: 100%: the company discloses a target to use at least 38% recycled steel by 2030, aligned with the IEA Net Zero Roadmap (2023 version). The target includes a specific commitment or target for increasing the use of post-consumer scrap.</p> <p>75%: the company discloses a target to use at least 38% of recycled steel by 2030, but does not specify a target for post-consumer scrap.</p> <p>50%: the company discloses a target for the use of recycled steel below the 38% threshold and lacks detail on scrap type.</p>	<p>Mercedes has a goal of using 40% secondary raw materials within the next decade (by 2030) in line with the "Ambition 2039" (2024 AR, p. 175). However, this general goal is not disaggregated for specific raw materials like steel.</p> <p>Annual Report 2024 with Integrated Sustainability Report https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf</p>	0
		2.2.4. The company publishes progress towards their target by disclosing the current percentage of recycled steel used in its annual production cycle.	1	<p>The scores below are absolute, not cumulative: 100%: the company discloses the percentage of recycled steel in their annual production cycle including volumes of both pre- and post-consumer steel. NB: Total recycled/scrap steel volume is sufficient if total steel volume is disclosed.</p> <p>75%: the company discloses the percentage of recycled steel in their annual production cycle.</p> <p>50%: The company partially discloses the quantity of recycled steel used in its annual production cycle, e.g., in the form of an absolute amount instead of a percentage or only for some elements within its annual production cycle.</p>	Not disclosed.	0

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Theme	Indicator Category	Indicators	Total Number of Points	Score Attribution (Scores are cumulative unless otherwise specified)	Mercedes Analysis	Mercedes Points
	2.3. Use of supply chain levers to achieve fossil free and environmentally sustainable steel supply chains	2.3.1. The company participates in multi-stakeholder procurement initiatives to collaborate with other buyers to incentivise investment in and production of fossil free steel at scale.	1	50%: the company is a member of SteelZero. 50%: the company is a member of the First Movers Coalition's sector group on steel	Mercedes is not a member of SteelZero or the First Movers Coalition's sector group on steel.	0
		2.3.2. The company participates in multi-stakeholder standard / certification initiatives to drive investment in and production of socially and environmentally sustainable steel at scale.	1	25%: the company is a member of ResponsibleSteel. 50%: the company actively engages their steel suppliers regarding ResponsibleSteel certification. 25%: the company has disclosed purchasing agreements for ResponsibleSteel certified steel. Note: 0.6 points modifier applied due to multistakeholder initiative assessment. See sheet 8.	Mercedes is a member of ResponsibleSteel and has published guidance for suppliers regarding the use of third party mining and supply chain standards, including ResponsibleSteel. The company does not disclose any purchasing commitments for ResponsibleSteel certified steel. https://www.responsiblesteel.org/members-and-associates - Guidance for Suppliers: Navigating Quality and Effectiveness of Mining and Supply Chain Standards https://supplier.mercedes-benz.com/docs/DOC-3222	0.45

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Theme	Indicator Category	Indicators	Total Number of Points	Score Attribution (Scores are cumulative unless otherwise specified)	Mercedes Analysis	Mercedes Points
		2.3.3. The company has entered into formal arrangements with suppliers to incentivise investment in and greater production of fossil free steel.	2	<p>50%: the company states that it has entered into a formal arrangement with at least one steel supplier to invest in and scale-up production of lower emission or fossil-free steel.</p> <p>25%: at least one purchase agreement signed by the company with a steel supplier for the provision of lower emission or fossil-free steel is a binding contract for which timelines and scale of supply (e.g. volume of steel to be purchased per year) are publicly disclosed.</p> <p>25%: at least one purchase agreement signed by the company is for the provision of steel produced with breakthrough technologies for fossil-free steelmaking.</p>	<p>Mercedes has disclosed multiple purchase agreements covering both lower emission and fossil-free steel for the company's production facilities in Europe and North America. The details of these agreements are disclosed in the company's 2023 Sustainability Report (p. 88-89) and on several sub-pages of the company's sustainability website (cited as a source of supplementary information in Mercedes' Climate Transition Action Plan).</p> <p>In Europe, Mercedes has signed a binding contract "with the Swedish start-up H2 Green Steel (H2GS) for the supply of around 50,000 tonnes of virtually CO₂-free steel per year for the company's own European press plants. The new supply contract enables Mercedes-Benz AG to bring virtually CO₂-free steel into series production" (p. 88). H2GS plans to start production in 2025. The details disclosed for this agreement meet the scoring criteria of the second and third sub-indicators.</p> <p>Also in Europe, Mercedes has signed a letter of intent to purchase CO₂-reduced steel with thyssenkrupp Steel and Salzgitter Flachstahl in Europe. Additionally, Mercedes states that it has already received steel from SSAB's hydrogen-based direct reduction in 2022 and also sources CO₂-reduced steel from Arvedi, partly produced with renewable energies.</p> <p>For North America, the company disclosed: "Mercedes-Benz AG has also signed a supply contract for the plant in Alabama (USA) with Steel Dynamics, Inc. (SDI) for more than 50,000 tonnes of CO₂-reduced steel per year, which has been integrated into production since September 2023. The steel supplied by SDI is produced in an EAF that runs on 100% green electricity. In addition, the flat steel has a scrap content of at least 70% and is used in all Mercedes-Benz models produced in Tuscaloosa (USA)." (2023 Sustainability Report, p. 88).</p> <p>It is noted that Mercedes has also announced that it has signed an agreement with Baosteel for the supply of low-carbon steel in China. However, this is only disclosed in a press release and not in any official reporting, and so is not eligible to be considered for points.</p> <p>2023 Sustainability Report https://group.mercedes-benz.com/documents/sustainability/reports/mercedes-benz-sustainability-report-2023.pdf</p> <p>CO₂-reduced European steel https://group.mercedes-benz.com/sustainability/resources-circularity/materials/co2-reduced-steel-europe.html</p> <p>Sustainable steel supply deal for Tuscaloosa https://group.mercedes-benz.com/sustainability/resources-circularity/materials/co2-reduced-steel-tuscaloosa.html</p> <p>Baosteel to supply green steel for Beijing Benz from 2023 https://www.fastmarkets.com/insights/baosteel-to-supply-green-steel-for-beijing-benz-from-2023/</p>	2

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Theme	Indicator Category	Indicators	Total Number of Points	Score Attribution (Scores are cumulative unless otherwise specified)	Mercedes Analysis	Mercedes Points
		2.3.4. The company integrates improved recyclability of steel into automobile design and manufacturing.	2	<p>25%: the company discloses that it is implementing a closed-loop process for steel recycling (must include reference to post-consumer scrap).</p> <p>OR</p> <p>10%: the company discloses that it is implementing a closed-loop process for steel recycling (no reference to post-consumer scrap).</p> <p>PLUS</p> <p>25%: the company provides a qualitative description of the closed-loop process(es) it is implementing for steel recycling.</p> <p>25%: the company discloses that it improves the recyclability of steel through automotive and/or component design.</p> <p>25%: the company explains how it has used automotive and/or component design to improve the recyclability of steel (e.g. by minimizing copper contamination).</p>	<p>Mercedes discloses that it works on reusing steel scrap from its Sindelfingen plant, and provides a description of this process. However, there is no mention of post-consumer steel scrap (2023 Sustainability Report, p. 89, 109).</p> <p>Mercedes' 2024 Annual Report (p. 40) also discloses a new collaboration agreement signed with TSR Recycling GmbH & Co. KG "for the recovery of secondary raw materials. The focus is on steel, aluminium, polymers, copper and glass. In this way, the Group is aiming to transition to a circular economy for end-of life vehicles." While welcome, the initiative appears to currently be at the research / scoping phase currently and is therefore not valid for points against the first sub-indicator: "two companies want to analyse the demand for secondary raw materials and their sources and carry out an economic assessment over the course of 2025."</p> <p>The company does not explain how it integrates steel recyclability into component design.</p> <p>2023 Sustainability Report https://group.mercedes-benz.com/documents/sustainability/reports/mercedes-benz-sustainability-report-2023.pdf</p> <p>Annual Report 2024 with Integrated Sustainability Report https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf</p>	0.7
3.Fossil Free and Environmentally Sustainable Aluminium	3.1. Disclosure of scope 3 GHG emissions due to aluminium	3.1.1. The company discloses disaggregated GHG emissions for their aluminium supply chains.	1	<p>The following scores are absolute, not cumulative:</p> <p>100%: The company discloses scope 3 GHG emissions for purchased goods and services, disaggregated for their aluminum supply chains</p> <p>50%: The company discloses a Life Cycle Assessment (LCA) for at least one electric vehicle model that includes disaggregated data on the embodied GHG emissions from the aluminum used in that vehicle.</p>	<p>The company has published "360°Environmental Check" for some of its models, which includes vehicle model level CO2 emissions data, but it is not disaggregated on embodied emissions from steel used in the vehicle.</p> <p>360° Environmental check (quoted in 2024 AR, p. 144) https://group.mercedes-benz.com/responsibility/sustainability/climate-environment/environmental-check/</p> <p>360° Environmental check Mercedes-Benz E-Class https://group.mercedes-benz.com/documents/sustainability/product/mercedes-benz-environmental-check-e-class-e300e.pdf</p>	0

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Theme	Indicator Category	Indicators	Total Number of Points	Score Attribution (Scores are cumulative unless otherwise specified)	Mercedes Analysis	Mercedes Points
	3.2. Target setting and progress towards fossil free and environmentally sustainable aluminum supply chains	3.2.1 The company has set targets for the use of fossil free and environmentally sustainable aluminium	2	<p>The scores below are not additive. They indicate specific thresholds for getting that percentage of points:</p> <p>100%: the company has a commitment to source 100% fossil-free aluminium by 2040, with interim targets for all procured primary aluminium to be produced with low-carbon power by 2035 and to source at least 10% fossil-free aluminium by 2030</p> <p>80%: the company has set a target that is aligned with Mission Possible 1.5 scenario: to ensure all primary aluminium is produced with low-carbon power by 2035</p> <p>60%: the company has set a target of procuring at least 10% fossil-free aluminium by 2030</p> <p>40%: the company has set an emissions reduction target for its aluminium supply chain that is aligned with the IEA Net Zero Roadmap (2023 version), specifically a 27% reduction by 2030 and by 95% by 2050</p> <p>20%: the company has a commitment to net zero aluminium by 2050 and/or a 2030 emissions reduction target for its aluminium supply chain that falls short of the above-mentioned thresholds</p> <p>Note: For definitions of fossil-free aluminium and lower emission aluminium used in this indicator and those below, as well as comparisons with definitions from other standards and schemes, please refer to the methodology document.</p>	<p>Mercedes discloses that “at least a third of the primary aluminium used in Europe for upcoming electric models from 2025 onwards is to be produced using renewable energies” (2024 AR, p. 140; 2025 Climate Transition Action Plan, p. 23). According to Mercedes, “this can lead to a CO₂ reduction of up to 50% compared to conventionally produced aluminium used in Europe”. However, it is unclear what percentage of the company’s total global aluminium consumption this represents. Mercedes also states that “as part of its technology partnership with Hydro, Mercedes-Benz Group AG aims to use aluminium with a carbon footprint that is up to 90% lower than the European average in 2024 in its vehicles by 2030” (2024 AR, p. 140).</p> <p>In addition, Mercedes has a target that all production materials procured by Mercedes-Benz Cars and Mercedes-Benz Vans must be net carbon-neutral by 2039 in line with its “Ambition 2039”, which includes aluminium (2024 AR, p. 137). Mercedes also discloses that quantitative interim targets for CO₂ emissions in the supply chains were derived from the results of the supplier discussions, and the target values were integrated into the award criteria (p. 139), which indicates that aluminium suppliers need to set 2030 targets. However, Mercedes does not disclose any of the targets agreed with aluminium suppliers. Thus, it is not possible to deduce if these targets align with the above-mentioned thresholds.</p> <p>Annual Report 2024 with Integrated Sustainability Report https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf</p> <p>Climate Transition Action Plan 2025 https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-climate-transition-action-plan-2025.pdf</p>	0.4
		3.2.2. The company publishes progress towards their target by disclosing the current percentage of fossil-free and/or lower emission aluminium in their annual production cycle	1	<p>The following scores are absolute, not cumulative:</p> <p>100%: The company discloses the current percentage of fossil-free and/or lower emission aluminium in its supply chain</p> <p>50%: The company partially discloses the quantity of fossil-free and/or lower emission aluminum used in its annual production cycle, e.g., in the form of an absolute amount instead of a percentage or only for some elements within its annual production cycle.</p>	<p>In its latest LCAs/360 check for new EV models, Mercedes has included disclosure on the percentage of fossil-free/lower emission aluminium. For example, for the CLA model: "Around 40 % of the aluminum used in the CLA is produced in electrolysis plants using renewable energies. This reduces the aluminum CO₂ foot print by around 40 % per kilogram compared to the conventional import mix and saves a total of around 0.4 metric tons of CO₂ emissions in case of the CLA 250+." (360 Environmental Check CLA with EQ Technology, p. 11)</p> <p>Mercedes also discloses that “Since 2023, the aluminium manufacturer Hydro (Norsk Hydro ASA, Norway) has been supplying the foundry at the Untertürkheim plant (Germany) with CO₂-reduced aluminium. The carbon footprint is almost 70% lower than that of the material used on average in Europe. After a successful test phase, the low-CO₂ aluminium was integrated into the series production of selected models.” However, the company does not disclose the volume of aluminium delivered by Hydro and the percentage in the annual production cycle. Nor does the company provide quantitative disclosure on its website. As a result, this disclosure does not qualify for points against either of the sub-indicators. (2024 AR, p. 140).</p> <p>360 Environmental Check CLA with EQ Technology https://group.mercedes-benz.com/documents/sustainability/product/mercedes-benz-lifecycle-compact-cla-2024-en.pdf</p> <p>https://group.mercedes-benz.com/company/news/hydro-norsk.html</p>	0.5

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Theme	Indicator Category	Indicators	Total Number of Points	Score Attribution (Scores are cumulative unless otherwise specified)	Mercedes Analysis	Mercedes Points
		3.2.3. The company has a target to increase use of recycled aluminium by 2030.	2	<p>These scores are not cumulative, they are thresholds for achieving a particular score.</p> <p>100%: the company discloses a target to use at least 42% recycled aluminium by 2030, aligned with the IEA Net Zero Roadmap (2023 version). The target includes a specific commitment or target for increasing the use of post-consumer aluminium scrap.</p> <p>75%: the company discloses a target to use at least 42% of recycled aluminium by 2030, but does not specify a target for post-consumer scrap</p> <p>50%: the company discloses a target for the use of recycled steel below the 42% threshold and lacks detail on scrap type</p>	<p>Mercedes has a goal of using 40% secondary raw materials within the next decade (by 2030) in line with the “Ambition 2039” (2024 AR, p. 175). However, this general goal is not disaggregated for specific raw materials.</p> <p>Annual Report 2024 with Integrated Sustainability Report https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf</p>	0
		3.2.4. The company publishes progress towards their target by disclosing the current percentage of recycled aluminium used in its annual production cycle	1	<p>These scores are not cumulative, they are thresholds for achieving a particular score:</p> <p>100%: the company discloses the percentage of recycled aluminium in their annual production cycle including volumes of both pre- and post-consumer aluminium. NB: Total recycled/scrap steel volume is sufficient if total steel volume is disclosed.</p> <p>75%: the company discloses the percentage of recycled aluminium in their annual production cycle.</p> <p>50%: The company partially discloses the quantity of recycled aluminum used in its annual production cycle, e.g., in the form of an absolute amount instead of a percentage or only for some elements within its annual production cycle.</p>	<p>Mercedes discloses that “In partnership with aluminium manufacturer Hydro, Mercedes-Benz Group AG has brought components for the bodyshell made of CO2 -reduced aluminium with a minimum proportion of 25% post-consumer scrap into series production.” However, as specific quantities or percentages are not provided, this disclosure does not qualify for any of the sub-indicators. (2024 AR, p. 177)</p> <p>Annual Report 2024 with Integrated Sustainability Report https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf</p>	0
	3.3. Use of supply chain levers to achieve fossil free and environmentally sustainable aluminium supply chains	3.3.1. The company participates in multi-stakeholder procurement initiatives to collaborate with other buyers to incentivise investment in and production of fossil free aluminium at scale.	1	100%: the company is a member of First Movers Coalition sector group on aluminum	<p>Mercedes is not a member of First Movers Coalition sector group on aluminum.</p> <p>https://initiatives.weforum.org/first-movers-coalition/community</p>	0

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Theme	Indicator Category	Indicators	Total Number of Points	Score Attribution (Scores are cumulative unless otherwise specified)	Mercedes Analysis	Mercedes Points
		3.3.2. The company participates in multi-stakeholder standard / certification initiatives to drive investment in and production of socially and environmentally sustainable aluminium	1	<p>25%: the company is a member of the Aluminum Stewardship Initiative (ASI).</p> <p>50%: the company actively engages their aluminum suppliers regarding ASI certification.</p> <p>25%: the company has disclosed purchasing commitments for ASI certified aluminium.</p> <p>Note: 0.4 points modifier applied due to multistakeholder initiative assessment. See sheet 8.</p>	<p>Mercedes is a member of ASI and engages its suppliers regarding ASI certification. Mercedes discloses that the suppliers of the European foundries and press shops of the company only receive orders on the condition that all production stages of the primary aluminium used, from the mine to the rolling mill, are ASI-certified (2024 AR, p. 175). In addition, Mercedes discloses in its 2023 Sustainability Report (p. 107) that “four European press plants where bonnets are stamped out for Mercedes-Benz Cars have been certified in accordance with the ASI “Performance Standard”.</p> <p>In its 2024 Raw Material Report (p. 49), Mercedes indicates that it plans to “introduce awarding premises for new projects related to aluminium focus parts being contracted to source primary aluminium exclusively from ASI certified or IRMA audited mines achieving at least IRMA 50”. In the 2023 Raw Material Report (p. 7), Mercedes also discloses that it has “raised the bar and aim to achieve 80% ASI-certified aluminium” in its vehicles. However, it is unclear if this 80% target is still valid as Mercedes does not mention it in the 2024 reporting.</p> <p>https://aluminium-stewardship.org/about-asi/members</p> <p>Annual Report 2024 with Integrated Sustainability Report https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf</p> <p>2023 Sustainability Report https://group.mercedes-benz.com/documents/sustainability/reports/mercedes-benz-sustainability-report-2023.pdf</p> <p>2023 Raw Materials Report https://group.mercedes-benz.com/responsibility/sustainability/supply-chains/raw-materials-report.html</p>	0.4

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Theme	Indicator Category	Indicators	Total Number of Points	Score Attribution (Scores are cumulative unless otherwise specified)	Mercedes Analysis	Mercedes Points
		3.3.3. The company has entered into formal arrangements with suppliers to incentivise investment in and greater production of fossil free aluminium	2	<p>50%: the company states that it has entered into a formal arrangement with at least one aluminium supplier to invest in and scale-up production of lower emission or fossil-free aluminium.</p> <p>25%: at least one purchase agreement signed by the company with an aluminium supplier for the provision of lower emission or fossil-free aluminium is a binding contract for which timelines and scale of supply (e.g. volume of aluminium to be purchased per year) are publicly disclosed.</p> <p>25%: at least one purchase agreement signed by the company is for the provision of aluminium produced with new technologies for fossil-free aluminum production.</p>	<p>Mercedes entered into partnership with Hydro (Norsk Hydro ASA, Norway), which has supplied CO2-reduced aluminium to Mercedes since June 2023 (2024 AR, p. 140). However, the scale of supply for the contract is not disclosed.</p> <p>Mercedes had previously disclosed an agreement with an aluminium producer "with the aim of working together to develop and introduce, by 2030, aluminium for automotive applications that is practically CO2 -free" due to "innovative technologies for primary material production" (2022 Sustainability Report, p. 108). A page on Mercedes sustainability website (referenced in the company's Climate Transition Action Plan 2025, and other company reports) also explains that Mercedes intends to "integrate aluminium with a carbon footprint decreased by 90 per cent compared with the European average into its vehicles by 2030," which will be achieved by the "use of CO2-optimised aluminium oxide and reductions of CO2 emissions resulting from the electrolysis process by using green electricity and innovative technologies." These disclosures are considered sufficient to meet the third sub-indicator.</p> <p>In addition, Mercedes discloses that it has "continued to work with its suppliers on decarbonizing the aluminium supply chain for production in Europe and amended existing supply contracts accordingly". It indicates that "At least a third of the primary aluminium used in Europe for upcoming electric models from 2025 onwards is to be produced using renewable energies." (2024 AR, p. 140). However, Mercedes does not disclose specific agreements with aluminium suppliers to reach this goal. Nor does Mercedes disclose any other purchase agreement outside of Europe.</p> <p>Annual Report 2024 with Integrated Sustainability Report https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf</p> <p>2023 Sustainability Report https://group.mercedes-benz.com/documents/sustainability/reports/mercedes-benz-sustainability-report-2022.pdf</p> <p>CO2 reduction in the aluminum supply chain https://group.mercedes-benz.com/sustainability/resources-circularity/materials/hydro-green-aluminium.html</p>	1.5

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Theme	Indicator Category	Indicators	Total Number of Points	Score Attribution (Scores are cumulative unless otherwise specified)	Mercedes Analysis	Mercedes Points
		3.3.4. The company integrates improved recyclability of aluminium into automobile design and manufacturing.	2	<p>25%: the company discloses that it is implementing a closed-loop process for aluminium recycling (must include reference to post-consumer scrap).</p> <p>OR</p> <p>10%: the company discloses that it is implementing a closed-loop process for aluminium recycling (no reference to post-consumer scrap).</p> <p>PLUS</p> <p>25%: the company provides a qualitative description of the closed-loop process(es) it is implementing for aluminium recycling.</p> <p>25%: the company discloses that it improves the recyclability of aluminium through automotive and/or component design.</p> <p>25%: the company explains how it has used automotive and/or component design to improve the recyclability of aluminium (e.g. through the development of new alloys).</p>	<p>Mercedes provides several examples of how it has used design to improve the recyclability of aluminium. On its aluminium webpage the company explains that ""together with suppliers, aluminium alloys are developed that meet the high requirements and at the same time allow for a high use of recycled aluminium."</p> <p>Mercedes' 2024 Annual Report (p. 40) also discloses a new collaboration agreement signed with TSR Recycling GmbH & Co. KG "for the recovery of secondary raw materials. The focus is on steel, aluminium, polymers, copper and glass. In this way, the Group is aiming to transition to a circular economy for end-of life vehicles." While welcome, the initiative appears to currently be at the research / scoping phase and is therefore not valid for points against the first sub-indicator: "the two companies want to analyse the demand for secondary raw materials and their sources and carry out an economic assessment over the course of 2025" (2024 Annual Report, p. 177).</p> <p>In its 2024 Sustainability Report (p. 177) the company also states that, "in partnership with aluminium manufacturer Hydro, Mercedes-Benz Group AG has brought components for the bodyshell made of CO2-reduced aluminium with a minimum proportion of 25% post-consumer scrap into series production." However, it is not clear whether the aluminium scrap mentioned in either examples comes from Mercedes' own closed-loop process and Mercedes does not provide further detail regarding closed-loop processes for aluminium.</p> <p>https://group.mercedes-benz.com/sustainability/human-rights/supply-chains/aluminum.html</p> <p>Annual Report 2024 with Integrated Sustainability Report https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf</p>	1
4. Fossil Free and Environmentally Sustainable Batteries	4.1. Disclosure of scope 3 GHG emissions due to battery supply chains	4.1.1. The company discloses disaggregated scope 3 emissions for their battery supply chains, including a total for the whole battery and disaggregated emissions for key battery minerals (cathode / anode active materials)	1	<p>The following scores are absolute, not cumulative:</p> <p>100%: the company provides scope 3 GHG emissions their battery supply chain, disaggregated for cell production / manufacturing and key cathode / anode active materials (i.e. individual minerals) used in the battery</p> <p>75%: the company provides scope 3 GHG emissions their battery supply chain, disaggregated for cell production / manufacturing and cathode and anode active materials (as a total)</p> <p>50%: The company discloses scope 3 GHG emissions for purchased goods and services, disaggregated for their battery supply chain.</p> <p>25%: The company discloses a Life Cycle Assessment (LCA) for at least one electric vehicle model that includes disaggregated data on the embodied GHG emissions from the battery used in that vehicle.</p>	<p>The company has published "360°Environmental Check"/LCA for some of its models, which includes vehicle model level CO2 emissions data and information regarding the CO2 emissions reduction from batteries. More specifically for the CLA model: "Various reduction measures in the high-voltage cell reduce the CO₂ footprint by around 30% per cell compared to conventional production. In addition to the use of renewable electricity in cell production, electricity from renewable sources is also used in the production of cathode, anode, and cell housing materials. Looking at an entire battery, this corresponds to a reduction of around 1.6 metric tons of CO₂." (p. 11)</p> <p>However, it does not disclose the disaggregated embodied CO2 emissions for the battery supply chain.</p> <p>360° Environmental check (quoted in 2024 AR, p. 144) https://group.mercedes-benz.com/responsibility/sustainability/climate-environment/environmental-check/</p> <p>360 Environmental Check CLA with EQ Technology https://group.mercedes-benz.com/documents/sustainability/product/mercedes-benz-lifecycle-compact-cla-2024-en.pdf</p>	0

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Theme	Indicator Category	Indicators	Total Number of Points	Score Attribution (Scores are cumulative unless otherwise specified)	Mercedes Analysis	Mercedes Points
	4.2. Target setting and progress towards fossil free and environmentally sustainable battery supply chains	4.2.1. The company has set a target to produce fossil free and environmentally sustainable batteries.	1	<p>The scores below are not additive. They indicate specific thresholds for getting that percentage of points:</p> <p>100%: the company has a commitment to produce 100% fossil free batteries by 2040 and a target to reduce their battery supply chain emissions by 50% by 2030.</p> <p>75%: the company has a commitment to produce 100% fossil free batteries by 2050 and a target to reduce their battery supply chain emissions by 50% by 2030.</p> <p>50%: the company has set an emissions reduction target for its battery supply chain that is aligned with the IEA Heavy Industry Guidance, specifically a 27% emissions reduction by 2030 and 95% by 2050.</p> <p>25%: the company has a commitment to net zero batteries by 2050 and/or a 2030 emissions reduction target for its battery supply chain that falls short of the above-mentioned thresholds.</p>	<p>Mercedes states (2024 AR, p. 139) that “Mercedes-Benz Cars and Mercedes-Benz Vans have agreed with their strategic partners to purchase battery cells from net carbon-neutral production” and that “net carbon neutral production has been a key requirement for direct suppliers of battery cells when awarding contracts” since 2019.</p> <p>In addition, Mercedes has a target that all production materials procured by Mercedes-Benz Cars and Mercedes-Benz Vans must be net carbon-neutral by 2039 in line with its “Ambition 2039”, which includes battery cells and materials (2024 AR, p. 137). However, it is unclear if Mercedes has a specific carbon neutrality target for battery cells and whether there is an interim 2030 target included in the agreement.</p> <p>Annual Report 2024 with Integrated Sustainability Report https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf</p>	0.25
		4.2.2. The company has set a target to reduce reliance on energy intensive minerals in battery production.	1	<p>25%: statement of intent to reduce high intensity minerals in battery production (which may include a commitment to producing smaller batteries).</p> <p>25%: the company has set a disaggregated target for the reduction of primary sources of nickel in their supply chain.</p> <p>25%: the company has set a disaggregated target for the reduction of primary sources of lithium in their supply chain.</p> <p>25%: the company has set a disaggregated target for the reduction of primary sources of cobalt in their supply chain.</p> <p>Note: The final three scoring criteria can also be met by setting targets for increasing the % recycled nickel/lithium/cobalt used in new batteries.</p>	<p>There is a statement of intent to reduce high intensity minerals such as cobalt in battery production (2023 Sustainability Report, p. 105). However, Mercedes does not provide any disaggregated target for the reduction of nickel, lithium or cobalt in the supply chain.</p> <p>2023 Sustainability Report https://group.mercedes-benz.com/documents/sustainability/reports/mercedes-benz-sustainability-report-2023.pdf</p>	0.25
		4.2.3. The company has set collection and/or recovery targets for high intensity battery metals.	1	<p>100%: the company has a medium term target of 95% recovery for cobalt & nickel with 70% lithium by 2030 (equal to that proposed by the EU) and a short term target of 90% recovery rate for cobalt & nickel and 35% lithium by 2025.</p> <p>25%: the company has set collection and/or recovery targets for high intensity battery metals that are lower and/or not disaggregated.</p> <p>Note: companies that disclose recovery rates already achieved at commercial scale and/or with existing supplier requirements on recovery rates may score points for this indicator if the disclosed recovery rates match the 2025 thresholds (25% of points) or the 2030 thresholds (100% of points).</p>	<p>Mercedes built its own pilot battery recycling facility in Kuppenheim in 2024, where the company aims to achieve an overall recovery rate of 96% (2024 AR, p. 177). This is an ambitious target, but it is limited to this specific facility.</p> <p>Annual Report 2024 with Integrated Sustainability Report https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf</p>	0.25
	4.3. Use of supply chain levers to achieve fossil free and environmentally sustainable battery supply chains	4.3.1. The company requires all battery manufacturers to use 100% renewable electricity	2	<p>The following scores are absolute, not cumulative:</p> <p>100%: the company discloses a requirement that all battery manufacturers are required to use 100% renewable electricity.</p> <p>50%: the company discloses agreements/requirements for 100% renewable energy with some battery manufacturers</p> <p>25%: the company discloses agreements/requirements for reduced emissions with some battery manufacturers</p> <p>or</p> <p>50%: the company discloses a requirement that all battery manufacturers are required to be "carbon neutral", "net zero" or similar but does not define how they are using the term.</p>	<p>Mercedes states (2024 AR, p. 139) that “Mercedes-Benz Cars and Mercedes-Benz Vans have agreed with their strategic partners to purchase battery cells from net carbon-neutral production” and that “net carbon neutral production has been a key requirement for direct suppliers of battery cells when awarding contracts” since 2019.</p> <p>In addition, Mercedes has a target that all production materials procured by Mercedes-Benz Cars and Mercedes-Benz Vans must be net carbon-neutral by 2039 in line with its “Ambition 2039”, which includes battery cells and materials (2024 AR, p. 137). However, it is unclear if CO2-neutral must entail using 100% renewable energy .</p> <p>Annual Report 2024 with Integrated Sustainability Report https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf</p>	1

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Theme	Indicator Category	Indicators	Total Number of Points	Score Attribution (Scores are cumulative unless otherwise specified)	Mercedes Analysis	Mercedes Points
		4.3.2. Company engages and/or enters into formal agreements with extractives and other value chain companies to prevent/mitigate adverse environmental impacts of lithium sourcing.	1	<p>25%: the company has identified and disclosed specific environmental risks of lithium sourcing (e.g. air pollution, water, biodiversity etc.).</p> <p>25%: the company describes its overall approach or strategy to prevent/mitigate environmental risks and adverse impacts within its lithium supply chain (e.g. incorporating environmental conditions into contracts with suppliers, participating in multi-stakeholder initiative(s) to address environmental impacts of lithium sourcing etc.).</p> <p>25%: the company has entered into contractual agreements for the purchase of low-carbon lithium. These agreements may include joint ventures, purchasing commitments, and/or other forms of investment, including R&D.</p> <p>25%: the company provides examples or case studies of contractual agreements and/or direct engagement with specific lithium mining or refining companies to address environmental risks and adverse impacts. Note: examples of direct engagement can be with direct or indirect suppliers. In order to score points here, the company must provide the name of the lithium supplier and the location of the mine or project in question, and it must be clear the engagement / agreement addresses environmental impacts specifically.</p>	<p>In its 2024 Raw Material Report (p.96-99), Mercedes identifies land and water contamination risks caused by lithium mining, especially from brine deposits in arid areas such as Salar de Atacama. Mercedes discloses a theory of change for preventing / mitigating adverse environmental impacts from lithium sourcing (p. 102), which includes introducing "awarding premises for IRMA audited mines achieving at least IRMA 50 as well as for refiners to undertake audits based on Mercedes-Benz approved standard." More specifically, Mercedes indicates that this helps mitigate environmental risks: "For battery-related contracts, the Group requires an IRMA audit of mines for cobalt, lithium, nickel, graphite, manganese and copper. Accordingly, the mine operators are required to assess possible impacts on biodiversity, ecosystems and protected areas near the mining area, mitigate negative impacts and check the effectiveness of the actions." (2024 AR, p. 170).</p> <p>Mercedes also discloses that it has co-established the Responsible Lithium Partnership with other buyers to work towards responsible use of resources and sustainable lithium. Although the company indicates that "Our on-site visit in March 2024 enabled us to see the impact of our efforts and engage directly with local communities and mining companies," it is unclear whether the company has engaged with lithium mining or refining companies directly to address specific environmental risks.</p> <p>Mercedes has established a partnership with Rock Tech Inc., which is building a refinery for lithium hydroxide in Guben (Germany). The supply agreement stipulates that both partners will work together on a roadmap for the net carbon-neutral production of lithium hydroxide by 2030" (2024 Sustainability Report, p.79).</p> <p>2024 Raw Materials Report (November 2024) https://group.mercedes-benz.com/dokumente/nachhaltigkeit/produktion/mercedes-benz-raw-material-report.pdf</p> <p>https://group.mercedes-benz.com/sustainability/human-rights/supply-chains/lithium.html</p>	0.75

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Theme	Indicator Category	Indicators	Total Number of Points	Score Attribution (Scores are cumulative unless otherwise specified)	Mercedes Analysis	Mercedes Points
		4.3.3. Company engages and/or enters into formal agreements with extractives and other value chain companies to prevent/mitigate adverse environmental impacts of nickel sourcing.	1	<p>25%: the company has identified and disclosed specific environmental risks of nickel sourcing (e.g. air pollution, water, biodiversity etc.).</p> <p>25%: the company describes its overall approach or strategy to prevent/mitigate environmental risks and adverse impacts within its nickel supply chain (e.g. incorporating environmental conditions into contracts with suppliers, participating in multi-stakeholder initiative(s) to address environmental impacts of nickel sourcing etc.).</p> <p>25%: the company has entered into contractual agreements for the purchase of low-carbon nickel. These agreements may include joint ventures, purchasing commitments, and/or other forms of investment, including R&D.</p> <p>25%: the company provides examples or case studies of contractual agreements and/or direct engagement with specific nickel mining or refining companies to address environmental risks and adverse impacts. Note: examples of direct engagement can be with direct or indirect suppliers. In order to score points here, the company must provide the name of the nickel supplier and the location of the mine or project in question, and it must be clear the engagement / agreement addresses environmental impacts specifically.</p>	<p>In its 2024 Raw Material Report (p. 122), Mercedes discloses the identified salient risks related to nickel sourcing, which includes “environmental risks with impact on human rights”. Additionally, the company discloses that “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 threatening biodiversity”. Mercedes explains that “to effectively mitigate these identified risks, there is a pursuit of high market penetration of demanding sustainability standards and audits which effectively address those risks” (p. 123).</p> <p>In its theory of change for nickel (p. 125), Mercedes indicates that “We have thus introduced awarding premises for IRMA audited mines achieving at least IRMA 50 as well as for refiners to undertake audits based on Mercedes-Benz approved standard”. This indicates that environmental conditions are incorporated in contractual agreements for nickel sourcing. More specifically, Mercedes indicates that this helps mitigate environmental risks: “For battery-related contracts, the Group requires an IRMA audit of mines for cobalt, lithium, nickel, graphite, manganese and copper. Accordingly, the mine operators are required to assess possible impacts on biodiversity, ecosystems and protected areas near the mining area, mitigate negative impacts and check the effectiveness of the actions.” (2024 AR, p. 170)</p> <p>Participation in multi-stakeholder initiatives is also part of Mercedes' strategy to mitigate environmental risks from nickel sourcing. a member of the Nickel Working Group of the Responsible Minerals Initiative (RMI) and a member of the Nickel Group of Drive Sustainability (2024 Raw Material Report, p. 123). More specifically for a nickel project in Indonesia, the company also aims for a “collective action to strengthen ESG management practices in mining and processing” (p. 127). However, the company does not disclose any examples of engagement with specific nickel suppliers to address adverse environmental impacts, or any purchase agreements for low-carbon nickel.</p> <p>2024 Raw Materials Report (November 2024) https://group.mercedes-benz.com/dokumente/nachhaltigkeit/produktion/mercedes-benz-raw-material-report.pdf</p>	0.5

Company analysis - fossil-free and environmentally sustainable supply chains

Theme	Indicator Category	Indicators	Total Number of Points	Score Attribution (Scores are cumulative unless otherwise specified)	Mercedes Analysis	Mercedes Points
		4.3.4. Company engages and/or enters into formal agreements with extractives and other value chain companies to prevent/mitigate adverse environmental impacts of cobalt sourcing.	1	<p>25%: the company has identified and disclosed specific environmental risks of cobalt sourcing (e.g. air pollution, water, biodiversity etc.).</p> <p>25%: the company describes its overall approach or strategy to prevent/mitigate environmental risks and adverse impacts within its cobalt supply chain (e.g. incorporating environmental conditions into contracts with suppliers, participating in multi-stakeholder initiative(s) to address environmental impacts of lithium sourcing etc.).</p> <p>25%: the company has entered into contractual agreements for the purchase of low-carbon cobalt. These agreements may include joint ventures, purchasing commitments, and/or other forms of investment, including R&D.</p> <p>25%: the company provides examples or case studies of contractual agreements and/or direct engagement with specific cobalt mining or refining companies to address environmental risks and adverse impacts. Note: examples of direct engagement can be with direct or indirect suppliers. In order to score points here, the company must provide the name of the cobalt supplier and the location of the mine or project in question, and it must be clear the engagement / agreement addresses environmental impacts specifically.</p>	<p>In its 2024 Raw Material Report (p. 58), Mercedes discloses the identified salient risks related to cobalt sourcing, which includes “environmental risks with impact on human rights”. Mercedes does not elaborate on specific environmental risks of cobalt sourcing, indicating that the company has prioritized addressing working conditions and child labour in DRC in the cobalt supply chain (p. 59).</p> <p>The company does disclose some measures it has taken to address environmental risks across its cobalt supply chain, including “Dialogue with mining company on potential environmental risks on site” and “Dialogue with international and Congolese civil society organisation on allegations of potential environmental risks” in the stakeholder engagement section (p. 59). In its theory of change for cobalt (p. 61), Mercedes also indicates that “We have thus introduced awarding premises for IRMA audited mines achieving at least IRMA 50 as well as for refiners to undertake audits based on Mercedes-Benz approved standard”. This indicates that environmental conditions are incorporated in contractual agreements for cobalt procurement. More specifically, Mercedes indicates that this helps mitigate environmental risks: “For battery-related contracts, the Group requires an IRMA audit of mines for cobalt, lithium, nickel, graphite, manganese and copper. Accordingly, the mine operators are required to assess possible impacts on biodiversity, ecosystems and protected areas near the mining area, mitigate negative impacts and check the effectiveness of the actions.” (2024 AR, p. 170)</p> <p>Mercedes discloses that the company visited copper/ cobalt mines to discuss human rights and environmental issues in the DRC in November 2022, which included a due diligence audit and participation in a workshop to raise awareness about responsible cobalt sourcing. More specifically, “In November 2022, we travelled to the Democratic Republic of the Congo – more precisely to the Katanga province – to get an overview of the current state of responsible mining practices on the ground. We had the chance to visit two industrial copper/cobalt mines and discuss human rights and environmental topics in large-scale mines as well as challenges and expectations from downstream companies with the operating mining company.” (2024 Raw Material Report, p. 43) This provides an example of direct engagement with cobalt mining companies to address environmental risks.</p> <p>No agreements for the procurement of low-carbon cobalt are disclosed.</p> <p>2024 Raw Materials Report (November 2024) https://group.mercedes-benz.com/dokumente/nachhaltigkeit/produktion/mercedes-benz-raw-material-report.pdf</p>	0.5
		4.3.5. The company participates in multi-stakeholder initiatives to collaborate with other buyers to incentivise investment in and production of fossil free and environmentally sustainable batteries at scale.	1	100%: the company is a member of the Global Battery Alliance.	<p>Mercedes is not a member of the Global Battery Alliance.</p> <p>https://www.globalbattery.org/about/members/</p>	0

Company analysis - fossil-free and environmentally sustainable supply chains

Theme	Indicator Category	Indicators	Total Number of Points	Score Attribution (Scores are cumulative unless otherwise specified)	Mercedes Analysis	Mercedes Points
		4.3.6. The company invests in the development of new battery chemistries & technologies that minimize their overall material and carbon footprint by reducing the use of emissions-intensive minerals and toxic materials	2	<p>25%: the company provides examples of R&D that they are conducting in-house or in partnership with value chain partners to develop new battery chemistries / technologies that reduce the use of emissions-intensive minerals (such as nickel and cobalt). Note: this could include R&D into the development of smaller batteries.</p> <p>25%: the company provides examples of the systems and processes it is developing to scale this R&D to commercial production.</p> <p>50%: the company has brought to market electric vehicles that utilize battery chemistries / technologies that meet the above criteria.</p>	<p>Mercedes is “working with partners to increase the energy density of lithium-ion batteries by using high-silicon anodes or lithium anodes in conjunction with solid-state technology” (2023 Sustainability Report, p. 80). In order to bring new technologies into series production as early as possible, Mercedes has set up a competence centre for the development and new manufacturing processes of battery technology in its Stuttgart-Untertürkheim plant (2023 Sustainability Report, p. 80; 2024 AR, p. 12). This is eligible for points for the first and second sub-indicators.</p> <p>Mercedes discloses that it has invested in the R&D of lithium iron phosphate (LFP), which does not require cobalt and nickel. It discloses an example of eSprinter that is implemented by Mercedes-Benz Vans (2024 AR, p. 146).</p> <p>2023 Sustainability Report https://group.mercedes-benz.com/documents/sustainability/reports/mercedes-benz-sustainability-report-2023.pdf</p> <p>Annual Report 2024 with Integrated Sustainability Report https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf</p>	2
		4.3.7. The company invests in the development of new battery designs, technologies, systems and/or processes to maximize the safe and effective recycling of EV batteries	1	<p>25%: the company provides examples of R&D that they are conducting in-house or in partnership with value chain partners to improve the recyclability of batteries (i.e. recovery rates). Note this could include R&D into battery design and/or recycling methods.</p> <p>25%: the company provides examples of the systems and processes it is developing to scale this R&D to commercial production.</p> <p>50%: the company provides examples of battery recycling processes it has developed in-house or in partnership with value chain partners that have achieved recovery rates of at least 95% cobalt/nickel & 70% lithium. Note disclosed recovery rates achieved at the pilot / R&D stage are valid for points here. Disclosure of recovery rates achieved at commercial scale is evaluated in indicator 4.3.10.</p>	<p>Mercedes has been working on establishing its own pilot battery recycling facility in Kuppenheim in 2024, which has an annual capacity of 2,500 tonnes (2024 AR, p. 177; 2024 Raw Material Report, p. 46). Mercedes discloses the recycling process that it has developed through R&D and implemented at this facility (which is now at commercial production level), more specifically the integrated mechanical-hydrometallurgical process (2024 AR, p. 177). Mercedes also discloses that it is working with partners to scale up in China and the US and establish battery recycling based on the same technology (2023 Sustainability Report, p. 109).</p> <p>Previously, in its 2023 Sustainability Report (p. 109), Mercedes disclosed that “The process allows recovery rates of more than 96%” which implied that this was already a recovery rate achieved at pilot stage.</p> <p>Annual Report 2024 with Integrated Sustainability Report https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf</p> <p>2023 Sustainability Report https://group.mercedes-benz.com/documents/sustainability/reports/mercedes-benz-sustainability-report-2023.pdf</p> <p>https://group.mercedes-benz.com/sustainability/resources/circularity/recycling/battery.html</p>	1

Company analysis - fossil-free and environmentally sustainable supply chains						
Theme	Indicator Category	Indicators	Total Number of Points	Score Attribution (Scores are cumulative unless otherwise specified)	Mercedes Analysis	Mercedes Points
		4.3.8. The company has established processes for battery repair, reuse and repurposing in order to maximize the usable lifespan of its EV batteries.	1	<p>25%: the company indicates that there are processes in place (such as inspection, design, access to battery information, collection and transportation, etc.) for repairing, reusing and/or repurposing batteries.</p> <p>25%: the company provides qualitative information about processes (including the establishment and operation of collection points) to increase the % of batteries being collected for reuse, repurposing and/or recycling</p> <p>50%: the company provides quantitative information about the collection of batteries (i.e total numbers and / or percentages of batteries collected).</p>	<p>Mercedes discloses in its 2024 Sustainability Report (p. 177) that it "is striving to reuse the battery in the vehicle or to convert it for use in a stationary energy storage system" and that it is "gradually expanding its solutions for remanufacturing and reuse defective batteries to include newer battery generations."</p> <p>More details on these initiatives were provided in its 2023 report, where Mercedes discloses it has a process in place for repurposing batteries, such as converting them for use in a stationary energy bank (2023 Sustainability Report, p. 108). In that report, Mercedes stated that "72% of the returnable high-voltage lithium-ion batteries are being routed to remanufacturing for reuse in vehicles or for second life in energy storages" (p. 10). However, this data has not been updated for its latest report and so points have been deducted.</p> <p>In Germany, Mercedes-Benz Energy GmbH, a subsidiary of Mercedes based in Kamenz (Germany), is responsible for the development of energy storage solutions to make use of retired EV batteries for reuse in a stationary energy bank (2023 Sustainability Report, p. 108). Mercedes also discloses that it founded Mercedes-Benz Second Life Solutions LLC, based in Tuscaloosa (USA), in 2023, which focuses on the remanufacturing and reuse of lithium-ion batteries, as well as the procurement and marketing of used parts from the American market (p. 108).</p> <p>2023 Sustainability Report https://group.mercedes-benz.com/documents/sustainability/reports/mercedes-benz-sustainability-report-2023.pdf</p>	0.5
		4.3.9. The company has established closed-loop processes in order to maximize the recycling of end-of-life EV batteries	1	<p>25%: the company indicates that there is a closed-loop process in place for recycling batteries (that involves recovering raw materials).</p> <p>25%: the company provides detail on the battery recycling process / method(s) used and discloses that they do not use incineration / high-temperature combustion processes.</p> <p>50%: the company provides quantitative information about the % of batteries currently being recycled (at commercial scale). Note: this could be mineral recovery rates and/or the total percentage of batteries recycled (out of all batteries collected for end-of-life treatment).</p>	<p>Mercedes built its own pilot battery recycling facility in Kuppenheim in 2024, which has an annual capacity of 2,500 tonnes (2024 AR, p. 177; 2024 Raw Material Report, p. 46). Mercedes describes the recycling process implemented at this facility, more specifically the integrated mechanical-hydrometallurgical process (2024 AR, p. 177). However, the company does not provide quantitative information about the volume or % of batteries currently being recycled. In 2024 AR (p. 177), the company discloses that "The ambition is to achieve a recovery rate of more than 96% with their integrated mechanical-hydrometallurgical process." It is therefore unclear whether this recovery rate has been achieved at commercial scale.</p> <p>Annual Report 2024 with Integrated Sustainability Report https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf</p>	0.5
5. Climate Lobbying		Performance Band (A+ to F) is a full measures of a company's climate policy engagement, accounting for both its own engagement and that of its industry associations.	Multiplier of total category score	A=1.3 B=1.2 C=1.1 N/D = 1 D=0.9 E= 0.8 F=0.7	<p>C- https://lobbymap.org/company/Mercedes-Benz-7c1efd951fa2a6dfc2b58e9f311f6d7b</p>	1.1

Company analysis - human rights & responsible sourcing						
Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
1. Responsible Sourcing: General HR indicators	1.1. Commit	1.1.1. The company has a public commitment to human rights.	1	100%: the company has a standalone human rights policy or other formal commitment that it will respect the Universal Declaration of Human Rights and the International Bill of Rights, or commit to the UN Guiding Principles on Business and Human Rights (UNGPs) and/or the OECD Guidelines for Multinational Enterprises.	<p>The company's "Principles of Social Responsibility and Human Rights" include an express commitment to the Universal Declaration of Human Rights, the International Pact on Civil and Political Rights, the International Pact on Economic, Social and Cultural Rights, the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights, among others (p. 5).</p> <p>Principles of Social Responsibility and Human Rights https://group.mercedes-benz.com/documents/sustainability/society/mercedes-benz-grundsatzerklaerung-fuer-soziale-verantwortung-und-menschenrechte-de.pdf</p>	1
		1.1.2. The company extends their human rights commitments to their Tier 1 suppliers and beyond.	2	<p>50%: the company has a Supplier Code of Conduct (SCoC) or equivalent. The SCoC explicitly references the company's human rights policy or states that suppliers are required to respect and/or uphold all human rights.</p> <p>OR</p> <p>25%: the company has a Supplier Code of Conduct (SCoC) or equivalent that explicitly requires suppliers to comply with the company's human rights policy that is limited in scope, or to respect a limited selection of human rights listed by the company.</p> <p>PLUS</p> <p>50%: the company "requires" or otherwise mandates their suppliers to apply the requirements of the SCoC to their own suppliers.</p> <p>OR</p> <p>25%: the company "expects" or "encourages" their suppliers to apply these standards to their own suppliers.</p>	<p>Mercedes' "Responsible Sourcing Standards" (RSS) reference the company's Principles of Social Responsibility and Human Rights.</p> <p>However, it is noted that the updated RSS no longer appear to require suppliers to uphold and respect all human rights, or to put in place due diligence mechanisms to respect all human rights in line with the United Nations Guiding Principles on Business and Human Rights and OECD Guidelines, as had been the case with the company's earlier RSS. Instead, they appear to be required to respect a selection of human rights, which are listed in section II (2.1 to 2.9) of the RSS. Although the list is large, this is not equivalent to "all human rights", as required by the first sub-indicator. In fact, adverse human rights impacts are expressly defined by reference to the listed human rights (Section V, "Other Provisions"). This is a significant regression in requirements or at least in clarity from the previous RSS (in effect last year). While the company is granted points for the first sub-indicator this year (based on the reference to the human rights policy), this selective or limited approach to requiring respect for human rights might be insufficient to achieve points in the future as we tighten up the indicators.</p> <p>Suppliers are required to pass on the RSS requirements to their own suppliers: "The Partner is to oblige their suppliers, via suitable contractual provisions, to comply with and pass on these or equivalent standards on human rights and the environment, in its supply chain. The Partner is to retain the contractual provisions so that it can demonstrate compliance with this obligation if requested to do so" (Section II, 4.5).</p> <p>Responsible Sourcing Standards https://supplier.mercedes-benz.com/docs/DOC-2672</p>	2

Company analysis - human rights & responsible sourcing						
Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
	1.2. Identify	1.2.1. The company has a process in place to assess salient human rights risks in their supply chain.	1	<p>25%: the company states that there is a process in place for identifying salient human rights risks.</p> <p>25%: the company explains its methodology for identifying risks (e. g. desktop review) and prioritising them.</p> <p>25%: the company specifies how often they repeat this risk assessment.</p> <p>25%: the company specifies if and how they engage with external human rights experts. Note: this engagement must be specific to the company and its supply chains to be scored here. Simply participating in a multistakeholder initiative that includes human rights experts is not sufficient, unless the company has articulated how it applies the information gained via these initiatives to their own supply chain.</p> <p>Finally, effective risk identification involves consultation with potentially impacted stakeholders. We have included additional indicators under each section below to reflect this.</p>	<p>Mercedes conducts an impact materiality assessment which includes potential adverse human rights impacts in its supply chain (downstream value chain). Details are discussed in the company's Annual Report (AR) from p. 120. This is done for purposes of non-financial reporting under EU legislation.</p> <p>The process for identifying material sustainability-related impacts includes developing "an inventory of negative and positive impacts of the Mercedes-Benz Group's business activities on the environment and society". "For this purpose, data available in the Group, secondary data obtained through research and the expert knowledge of the specialist departments were taken into account". A prioritisation exercise involves "a three-level scale (low/medium/high) to assess the severity and likelihood of occurrence. The severity for negative impacts is determined by evaluating the parameters of scale, scope and irremediability specified by the ESRS..." (p. 121). The materiality assessment is updated annually (p. 120).</p> <p>Mercedes involves external experts to discuss "the preliminary results of the assessment of sustainability-related impacts in topic-specific focus groups. Expert interviews and an online survey also supplemented the results" (p. 121). The results of the materiality assessment are also verified with external experts, including "from science, NGOs or civil society and interviews with international experts from a wide range of disciplines" (p. 122).</p> <p>Mercedes also implements a risk-based approach to ensuring human rights due diligence, the Human Rights Respect System (HRRS) (Principles of Social Responsibility and Human Rights, p. 20). The company's HRRS is the company's human rights due diligence approach. Under the HRRS, the company "perform a risk-based, systematic assessment to verify that our controlled Group companies and supply chains comply with human rights...". "We develop our HRRS continuously, for example, when a risk assessment is performed due to a new activity or relationship and before strategic decisions or changes in business operations" (p. 14). The AR describes the process in greater detail.</p> <p>Annual Report 2024 https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf#page=112</p>	1

Company analysis - human rights & responsible sourcing						
Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
		1.2.2. The company discloses the salient human rights risks in their supply chain and where they are located.	1	<p>The following scores are absolute not cumulative:</p> <p>25%: the company names the generic, salient risks in their supply chain (e.g. conflict minerals, forced labour, water security, etc.).</p> <p>50%: the company discloses where in their supply chain these risks occur, by reference to geographical location, material type, and/or tier. Note: greater level of specificity on all these elements is expected under indicator 2.2.2 on transition minerals risks.</p> <p>100%: the company provides additional description of these risks. Note: to score here, the description must be based on findings from the company's due diligence measures, and not constitute a generic description.</p>	<p>Mercedes lists the salient risks and actual impacts on workers' rights and the rights of local communities emerging from its impact materiality assessment (AR, p. 130, 214, 223). These include health and safety risks, working conditions, remuneration, child and forced labour, and other risks to workers' rights as well as potential negative impacts on communities' water and land rights, the rights of indigenous peoples, and the safety of activists.</p> <p>The company's Raw Material Report also lists the salient risks identified in 24 selected raw materials supply chains (p. 7-19). The report describes where in the supply chain these risks occur, by reference to raw material, tier, and (sometimes) geographical location. Note: the Report indicates the country where the raw materials being addressed tend to come from, but does not always clarify whether this is also the location where the risks identified by Mercedes occur and, if not, the location where the risks occur.</p> <p>The company provides substantive additional description of the risks in sections entitled "Risk Profile" (p. 47-171).</p> <p>Annual Report 2024 https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf#page=112</p> <p>Raw Material Report 2024 https://group.mercedes-benz.com/dokumente/nachhaltigkeit/produktion/mercedes-benz-raw-material-report.pdf</p>	1

Company analysis - human rights & responsible sourcing						
Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
		1.2.3. The company has a process for identifying high risk supplier categories in their supply chain.	1	<p>50%: the company outlines the process for how they identify high risk supplier categories in Tier 1 in order to prioritise differential preventive/mitigating action. This may include taking into account the leverage that the automotive company has to affect change (e. g. their annual spend, whether they are a primary or majority buyer, etc.), the geography of suppliers, and the severity of the risks that have been identified.</p> <p>25%: the company outlines how this process extends beyond tier 1. Note: this does not necessarily have to involve a process that extends to the point of extraction, as this is covered below in the transition minerals section.</p> <p>25%: the company outlines the types of preventive/mitigating actions it uses to manage those risks. Note: to score here, it must do more than indicate that there are differential assurance actions, it must specify what those are.</p>	<p>The company's HRRS includes processes for human rights due diligence in supply chains through Supplier Compliance Risk Management (SCRM). This extends to direct suppliers and, on a risk based basis, indirect suppliers (beyond Tier 1). As part of the SCRM, the company "subjects Tier-1-suppliers ... to a risk assessment at least once a year. Following an initial overarching risk statement, the concrete risks are determined using specific questionnaires". Supplier risks are continuously assessed using artificial intelligence and internal and external reports (AR, p. 217). "The Mercedes-Benz Group follows up on internal and external reports of potential human rights violation at Tier-1-suppliers and in case of substantiated knowledge at Tier-n-suppliers in accordance with the SCRM. It examines the nature and severity of the potential human rights violation. Depending on the result of the risk assessment or the analysis of suspected cases, the procurement departments for production materials and non-production materials and services agree on and review suitable preventive or corrective actions with the supplier" (p. 217).</p> <p>The company also identifies high-risk suppliers based on an assessment of raw materials risks. This is based on country risk, the criticality of the raw material, and internal expert assessments (AR, p. 218). "Direct suppliers of focus parts with relevance to a specific critical raw material are subject to an in-depth assessment" (Raw Material Report, p. 6). In this assessment, the company "is guided by the Severity Approach of the UN Guiding Principles". "The Group first assesses which human rights risks generally occur in connection with a specific raw material. The severity of the risk and the number of people affected are then assessed" (AR, p. 218). The raw material-specific risk identification process is described in detail in the company's Raw Material Report 2024.</p> <p>To address risks, the company agrees suitable preventive or corrective actions with suppliers. The company also defines and implements actions for raw materials' "risk hotspots", and gives an example regarding lithium (p. AR, p. 217-8). In its Raw Material Report, Mercedes describes preventive/mitigation measures taken as part of a new "Theory of Change" methodology (Raw Material Report, p. 21). Some of these measures are mentioned later in the report (p. 24).</p> <p>Annual Report 2024 https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf#page=112</p> <p>Raw Material Report 2024 https://group.mercedes-benz.com/dokumente/nachhaltigkeit/produktion/mercedes-benz-raw-material-report.pdf</p>	1

Company analysis - human rights & responsible sourcing						
Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
	1.3. Prevent, Mitigate and Account	1.3.1. The company assesses the risk of adverse human rights impacts with suppliers prior to entering into any contracts.	2	<p>25%: the company outlines the process to assess risks at individual suppliers. This may include supplier questionnaires, audits, etc. Note: it is not enough for companies to state that they assess suppliers prior to entering into any contracts, they must outline how this assessment occurs. Secondly, a requirement that suppliers sign a statement confirming their compliance is not sufficient risk assessment. Similarly, companies must outline how they verify information provided in supplier self-assessment questionnaires.</p> <p>25%: the company provides quantitative information of the number of potential new suppliers assessed, and the tier that they belong to.</p> <p>25%: the company provides quantitative information on the number of potential new suppliers where non-conformances were found. Note: the action taken to respond to these findings is addressed by indicators below.</p> <p>25%: this process extends beyond tier 1 to tier 2 at a minimum.</p>	<p>Mercedes explains that “when selecting business partners, the company makes sure that they comply with the law, follow ethical principles, communicate the associated requirements to their own suppliers, and work to ensure compliance with these requirements” (AR, p. 262). The company’s “Business Partner Standards” indicate that “Before entering into any contracts with new business partners, and during the business relationship, we perform a transparent, risk-based integrity check” (p. 11).</p> <p>The company explains that “central procurement departments conduct systematic reviews of compliance with the supplier standards. New suppliers are evaluated with regard to sustainability topics, including human rights and labour standards—possibly also by way of on-site assessments” (Principles of Social Responsibility and Human Rights, p. 16).</p> <p>The company does not provide information about the total number of potential new suppliers assessed during the reporting year. This is a regression from last year, when the company disclosed that a total of 744 potential new suppliers had been inspected during 2023.</p> <p>As far as Tier 2 suppliers, Mercedes explains that they extend their supplier assessment to indirect suppliers on a risk-based basis or based on “substantiated knowledge” (AR, p. 217).</p> <p>Annual Report 2024 https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf#page=112</p> <p>Business Partner Standards https://group.mercedes-benz.com/documents/company/compliance/mercedes-benz-business-partner-standards.pdf</p> <p>Principles of Social Responsibility and Human Rights https://group.mercedes-benz.com/documents/sustainability/society/mercedes-benz-grundsatzerklaerung-fuer-soziale-verantwortung-und-menschenrechte-de.pdf</p>	1

Company analysis - human rights & responsible sourcing						
Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
		1.3.2. The company discloses how it monitors suppliers for compliance with the SCoC during the contract period.	2	<p>20%: the company indicates that there is a process in place to monitor compliance.</p> <p>20%: the company provides details on the process (e.g. tools, technologies and sources of information they use).</p> <p>20%: the company provides quantitative information on the number of suppliers assessed for compliance and the tiers that are assessed. Note: this indicator refers to quantitative assessment tools (e.g. surveys).</p> <p>20%: the company provides quantitative information of the number of suppliers audited and the tiers that are audited. Note: this indicator refers to on-site audits.</p> <p>20%: the company provides quantitative information on non-conformances found, their type and severity. Note: it is insufficient just to provide a number, additional information (for example, on the type, location, and/or severity of the non-conformances) must also be provided.</p> <p>OR</p> <p>10%: the company provides quantitative information on non-conformances found</p> <p>Note: Quantitative information on assessments and audits can be provided as a percentage of suppliers assessed / audited or as a number. If the company provides a number of suppliers assessed / audited, they must also provide the total number of suppliers (this can refer to the company as a whole, or to the total number of suppliers within a relevant category). The action taken to respond to these findings is addressed by indicators below.</p> <p>For due diligence to be effective, it must involve potentially impacted stakeholders and/or their representatives. This is scored under each of the sections listed below.</p>	<p>The company describes the compliance monitoring process in various documents. "Our central procurement departments conduct systematic reviews of compliance with the supplier standards" (Principles of Social Responsibility and Human Rights, p. 16). Tier-1-suppliers are assessed "at least once a year." Risk-based audits are also used for both direct and indirect suppliers, as well as artificial intelligence, and internal and external reports, including "substantiated knowledge" regarding violations beyond Tier 1 (AR, p. 217). The company's BPO whistleblower system also allows employees and external stakeholders worldwide to report violations of the Responsible Sourcing Standards (AR, p. 221).</p> <p>In its Raw Material Report, Mercedes discloses the number of suppliers of focus parts assessed through their Due Diligence Questionnaires (DDQ) and audited. However, Mercedes does not disclose the percentage of total suppliers these numbers represent, and there is no information elsewhere in the company's documents about the total number of suppliers (or, at a minimum, of suppliers of focus parts).</p> <p>Mercedes does not provide information on the number of non-conformances found.</p> <p>The company does disclose the number of suppliers of focus parts implementing measures to improve their DDQ score. Although this could be equivalent to the number of suppliers found to be non-conformant, this cannot be assumed. In addition, no additional information, such as type or severity of the non-conformances, is provided.</p> <p>Principles of Social Responsibility and Human Rights https://group.mercedes-benz.com/documents/sustainability/society/mercedes-benz-grundsatzerklaerung-fuer-soziale-verantwortung-und-menschenrechte-de.pdf</p> <p>Annual Report 2024 https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf#page=112</p> <p>Raw Material Report 2024 https://group.mercedes-benz.com/dokumente/nachhaltigkeit/produktion/mercedes-benz-raw-material-report.pdf</p>	0.8

Company analysis - human rights & responsible sourcing						
Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
		1.3.3. The company reports on how it is prepared to respond if it finds non-conformances with the SCoC	1.5	<p>This indicator relates to the contractual relationship, or potential contractual relationship, between suppliers and the auto-manufacturer. It applies to all tiers to the point of extraction where there is, or there might be, a direct relationship between the auto manufacturer and the supplier.</p> <p>33%: the company discloses the actions it will take in response to findings of non-conformance by potential new suppliers (for example, time-bound action plans before contracts go ahead, policy revision, targeted training, onsite audits, refraining from contracting, etc.).</p> <p>33%: the company discloses specific actions it will take in response to findings of non-conformance by existing suppliers.</p> <p>33%: the company discloses the number of corrective action plans or equivalent issued during the reporting year. Note: this is distinct from providing remedy to impacted stakeholders.</p> <p>Note: this is distinct from providing remedy to impacted stakeholders.</p>	<p>Mercedes' Annual Report includes a link to a webpage that describes the checks performed on potential new suppliers before they sign an agreement, and this states that "if a partner fails to comply with our standards, we reserve the right to terminate the ... the selection process". However, no additional details are provided so it is not possible to know the range of actions Mercedes will take in response to findings of non-conformance by potential new suppliers.</p> <p>Regarding existing suppliers, Mercedes explains that, "depending on the result of the risk assessment or the analysis of suspected cases, the procurement departments for production materials and non-production materials and services agree on and review suitable preventive or corrective actions with the supplier." The company adds, "if on-site visits reveal deficiencies at a supplier, the Mercedes-Benz Group asks the supplier to improve the relevant processes. If the supplier does not improve the respective processes adequately, the Group decides on further steps on an individual basis. In particularly serious cases, management committees are also involved. In the last analysis, this can lead to the Mercedes-Benz Group severing its relationship with a supplier" (AR, p. 217).</p> <p>Mercedes' RSS adds that findings of adverse human rights impacts by suppliers lead to corrective action plans (if they cannot be immediately stopped), and that "the Mercedes-Benz Group and the Partner are to agree in writing on the corrective action plan in a separate agreement". "The corrective action plan must at least include a specific timetable with appropriate deadlines for the implementation of suitable remedial measures". The RSS clarifies that, "if the Partner refuses to cooperate or fails to properly implement the corrective action plan, this will constitute a material breach of contract" (Section 4.2).</p> <p>The company does not disclose the number of corrective action plans or corrective measures issued during the year.</p> <p>Our Shared Responsibility (webpage) https://group.mercedes-benz.com/sustainability/society-governance/compliance-integrity/business-partners.html</p> <p>Annual Report 2024 https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf#page=112</p> <p>Raw Material Report 2024 https://group.mercedes-benz.com/dokumente/nachhaltigkeit/produktion/mercedes-benz-raw-material-report.pdf</p>	1

Company analysis - human rights & responsible sourcing

Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
		1.3.5. The company discloses how they verify the implementation of corrective actions.	1	<p>The following scores are absolute, not cumulative:</p> <p>100%: the company discloses the types of actions that it undertakes across its whole supply chain to verify whether corrective actions have occurred.</p> <p>25%: the company only a subset of the types of actions that it undertakes to verify whether correction actions have occurred (e.g. audits) and/or only discloses the types of actions that it undertakes for certain supply chains and/or materials to verify whether corrective actions have occurred.</p> <p>Note: successful corrective measures involve impacted stakeholders and/or their representatives. Their involvement is scored under each section below.</p>	<p>Mercedes does not explain how the implementation of corrective action plans is verified. For example, while it explains that suppliers of focus parts of selected 24 critical raw materials will be supported through due diligence assessments (DDQ) and, in case of non-compliance, “an audit and Corrective Action Plans” (Raw Material Report, p. 20), the company does not explain how implementation of these plans will be subsequently verified.</p> <p>This is a regression in disclosure from last year. The company’s previous RSS had specified the measures the company would take to verify the timely implementation of corrective action plans. The updated RSS has a full chapter on corrective action plans, but no longer makes any reference to measures to verify implementation of these plans, and no other corporate documents appear to include explanations in this regard.</p> <p>For these reasons, points are not awarded this year.</p> <p>Raw Material Report 2024 https://group.mercedes-benz.com/dokumente/nachhaltigkeit/produktion/mercedes-benz-raw-material-report.pdf</p>	0

Company analysis - human rights & responsible sourcing						
Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
	1.4. Remedy	1.4.1. The company has put in place a formal mechanism whereby workers, suppliers, suppliers' workers (in any tier) and other external stakeholders can raise grievances regarding adverse human rights impacts in their supply chain to an impartial entity.	2	<p>10%: if the company only has an in-house mechanism</p> <p>20%: the company has put in place an independent, formal mechanism to report a grievance to an impartial entity regarding human rights in the company's supply chains.</p> <p>20%: The mechanism is available to its workers, suppliers, suppliers' workers (in any tier) and other external stakeholders (e.g. whistleblower hotline).</p> <p>50%: the company communicates how the existence of the mechanism is communicated to its suppliers' workers and other impacted stakeholders. Note: simply posting it on the website is not enough.</p> <p>The involvement of impacted stakeholders and their legitimate representatives (e.g. workers, indigenous communities, etc.) in the design, review, operation and ongoing improvement of grievance mechanisms is central to their efficacy. As such, additional indicators have been included under each focus area regarding the specific integration of feedback from different stakeholder groups.</p>	<p>Mercedes has put in place the “Business & People Protection Office” (BPO) whistleblower. This does not appear to be independent of the company. The company does offer an external neutral intermediary who is appointed by the company, but this is only available in Germany (i.e. it is not available to suppliers, suppliers’ workers, or other external stakeholders based outside of Germany): “In Germany, whistleblowers also have the option to contact the external, neutral intermediary” (Principles of Social Responsibility and Human Rights, p. 19).</p> <p>The company “is also participating in a pilot project to develop a cross-company grievance mechanism in Mexico, the “Mecanismo de Reclamación de Derechos Humanos” (MRDH). This independent grievance mechanism was developed in cooperation with government institutions, trade unions, civil society, companies (Mercedes-Benz, BMW and ZF Friedrichshafen) and human rights institutions from Germany and Mexico” (AR, p. 221). This is an excellent initiative, but it is limited in geographical scope and is therefore not considered for scoring.</p> <p>“The BPO is open to all employees, business partners and third parties who wish to report violations of rules or regulations that pose a serious risk, including human rights violations, to the company.” (Principles of Social Responsibility and Human Rights, p. 20).</p> <p>Mercedes explains its actions to make its Whistle blower System BPO “better known among employees”, including through “dialogue events, roadshows, presentations and training courses”. The company also checks with employees every two years about their awareness of and trust in the Whistleblower System BPO (AR, p. 243). Despite this detailed information, the company does not explain how it makes the system known to other potentially affected rightsholders, such as value chain workers and communities.</p> <p>The RSS require suppliers to “make its supply chains aware of the available complaints mechanisms” and “ensure that the information is passed down the supply chain” (Section IV). However, this does not explain how Mercedes itself ensures suppliers’ workers and other impacted stakeholders are aware of the BPO.</p> <p>Principles of Social Responsibility and Human Rights https://group.mercedes-benz.com/documents/sustainability/society/mercedes-benz-grundsatzerklaerung-fuer-soziale-verantwortung-und-menschenrechte-de.pdf</p> <p>Responsible Sourcing Standards https://supplier.mercedes-benz.com/docs/DOC-2672</p> <p>Annual Report 2024 https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf#page=112</p>	0.6

Company analysis - human rights & responsible sourcing

Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
		1.4.3. The company discloses data about the practical operation of their grievance mechanism, such as the number of grievances filed, addressed, and resolved, their type, severity and outcome.	1	<p>25%: The company provides quantitative information about the total number of grievances raised during the reporting year.</p> <p>25%: The company provides quantitative information about the total number of supply chain grievances, with detail as to their type, severity, tier, and geographical location.</p> <p>25%: the company provides information about the number of supply chain grievances resolved, and an indication of how they were resolved. Note: simply stating that the grievance was resolved is not enough - the company must disclose the substantive outcome (e.g. rejected and reasons for rejection, confirmed and compensation provided, and/or agreement with the complainant reached, and/or rectification of wrongful practices requested, etc.). The indicator below seeks greater detail as to the concrete measures of reparation offered.</p> <p>25%: The company provides information about the total number of ongoing supply chain grievances.</p>	<p>The company does not disclose the total number of grievances raised during the reporting year, and does not provide disaggregated information about supply chain grievances received.</p> <p>The company only discloses figures for complaints of severe discrimination and other work-related rights within the group (i.e. not the total number of complaints received on all issues, including supply chain grievances) (AR, p. 212).</p> <p>This is a regression from last year’s reporting in which the company at least disclosed the total number of new cases opened during the reporting year, and got minimal points for this.</p> <p>Although the company states that, during the reporting period, it “was not aware of any incidents relating to serious human rights violations in connection with the workers in the value chain” or “affected communities” (AR, p. 221, 226), this does not indicate whether there are any ongoing (unresolved) supply chain grievances.</p> <p>Annual Report 2024 https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf#page=112</p>	0

Company analysis - human rights & responsible sourcing						
Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
		1.4.4. The company has put in place a remedy process for its supply chain.	2	<p>25%: the company describes how they investigate an issue that is raised and escalate the issue within the company</p> <p>25%: the company indicates how they determine appropriate remedy</p> <p>25%: the company indicates whether the affected rightsholders are involved in the determination of remedy and how</p> <p>25%: the company discloses information about the number of confirmed human rights grievances in its supply chain that resulted in measures of reparation to those affected</p> <p>Note: the UNGPs specify that impacted stakeholders should be involved in the determination of remedy. As such, additional indicators have been included under each of the focus areas to provide a score regarding the company's engagement with specific stakeholder groups.</p>	<p>The company provides information about their investigation and escalation process in the Annual Report, and in a document entitled "The Whistleblower System BPO – Our Business & People Protection Office". "The Whistleblower System BPO carries out a risk-based initial assessment for each new tip, taking into account the four-eyes principle. If the Whistleblower System BPO classifies a tip-off as a rule violation with a high risk for the Mercedes-Benz Group, its employees or other persons, it issues a specific investigation order to the relevant investigation unit. The Whistleblower System BPO accompanies further processing until the proceeding is concluded. Rule violations with high risks include, for example, corruption and money laundering offences, antitrust violations, serious violations in connection with technical specifications and/or technical safety, violations of environmental regulations and personal matters, e.g. sexual harassment or human rights violations." "The Whistleblower System BPO passes on information on all other violations with risk to the responsible departments. This department follows up on the information and investigates it independently" (AR, p. 242-3).</p> <p>The company's "Whistleblower System BPO – Our Business & People Protection Office", adds further detail, including in relation to the process for determining remedy (p. 7). However, this does not indicate whether the complainant, or the affected rightsholders, are involved in the determination of remedy.</p> <p>Mercedes does not disclose information about the number of confirmed human rights grievances in its supply chain that resulted in measures of reparation.</p> <p>Annual Report 2024 https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf#page=112</p> <p>The Whistleblower System BPO – Our Business & People Protection Office https://group.mercedes-benz.com/dokumente/unternehmen/compliance/mercedes-benz-bpo-process-description-english.pdf</p> <p>Responsible Sourcing Standards https://supplier.mercedes-benz.com/docs/DOC-2672</p>	1

Company analysis - human rights & responsible sourcing						
Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
2. Responsible Sourcing of Transition Minerals	2.1. Commit	2.1.1. The company has a commitment to responsible metals and minerals sourcing.	1	<p>The following scores are not cumulative, they are absolute:</p> <p>100%: the company has a standalone responsible minerals sourcing policy or their human rights policy includes a section on the responsible sourcing of minerals and metals that applies to all minerals and metals.</p> <p>75%: the company has a standalone responsible minerals sourcing policy or their human rights policy includes a section on the responsible sourcing of minerals and metals that goes beyond "conflict minerals" to include some other minerals or metals (e.g. includes cobalt).</p> <p>50%: the company has a standalone responsible minerals sourcing policy or their human rights policy includes a commitment to the responsible sourcing of "conflict minerals" only.</p>	<p>The company's RSS has a dedicated section on "Responsible Sourcing of Raw Materials" that lays out requirements for suppliers of all raw materials (Section II, 2.10).</p> <p>Responsible Sourcing Standards https://supplier.mercedes-benz.com/docs/DOC-2672</p>	1
		2.1.2. The company requires its suppliers to undertake due diligence in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas (CAHRAs)	2	<p>50%: Implementation of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRAs:</p> <p>- 50%: the SCoC requires suppliers to undertake due diligence in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRAs in relation to all salient metals and minerals from anywhere.</p> <p>OR</p> <p>- 25%: the SCoC requires suppliers to undertake due diligence in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRAs in relation to all metals and minerals from CAHRAs.</p> <p>OR</p> <p>- 10%: the SCoC requires suppliers to undertake due diligence in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRAs in relation to tin, tungsten, tantalum, and gold (3TGs) from CAHRAs.</p> <p>50%: Implementation of Due Diligence:</p> <p>- 25%: the company requires suppliers to have a due diligence process in place to identify raw materials sources, specifically, conducting due diligence on Smelter or Refiners (SoRs) in their supply chain (this may include the use of third party certification, etc).</p> <p>- 25%: the company requires suppliers to disclose smelter/refiner information.</p>	<p>Only suppliers of 3TG, cobalt, and mica originating from CAHRAs are required to ensure that their raw materials are procured from refineries or smelters that are RMI compliant or active, or that meet "an equivalent validation programme that is in line with" the OECD Diligence Guidance for Responsible Supply Chains of Minerals from CAHRAs (Section II, 2.10).</p> <p>Suppliers that source raw materials more broadly that either originate from, or are transported through, CAHRAs, or who use such raw materials in their products, are required to "establish effective due diligence processes in their supply chain".</p> <p>Suppliers of 3TG, cobalt, and mica must provide SoR information annually, by submitting company or product-level Conflict Minerals Reporting Templates and/or Extended Minerals Reporting Templates (Section II, 2.10).</p> <p>Responsible Sourcing Standards https://supplier.mercedes-benz.com/docs/DOC-2672</p>	1.2

Company analysis - human rights & responsible sourcing						
Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
	2.2. Identify	2.2.1. The company has a process in place to map transition minerals (e.g. nickel, lithium, cobalt, copper, manganese, zinc) in their supply chains to the point of extraction.	2	<p>25%: the company discloses that they have a process in place to map transition minerals supply chains back to the point of extraction.</p> <p>25%: the company provides detail on the processes that they have put in place to map their transition minerals supply chains to the point of extraction.</p> <p>25%: the company discloses the portion of the transition minerals supply chain that they have mapped to the point of extraction. Note: this could be by specifying which supply chains they have mapped, a percentage of total suppliers mapped, etc.</p> <p>25%: the company discloses concrete information from their mapping including, at minimum, primary countries of origin</p> <p>MODIFIER: In order to achieve full credit the mapping must cover at least the three focus minerals that are of significant industry and stakeholder focus given outsized volume and/or impacts: cobalt, nickel & lithium. Companies that map two of fewer minerals will receive half scores.</p>	<p>Since 2018, Mercedes has been working with an external auditing company to trace the raw material supply chains for battery cells. “After initial audits in the cobalt supply chains, the commitment was expanded in the year 2022 to include other battery raw materials: lithium, nickel, graphite, manganese and aluminium” (AR, p. 217). “The Group plans to gradually examine the 24 critical raw materials identified in more detail by the year 2028...” The first of three steps consists in “increasing transparency along the raw material supply chains – especially for certain components, such as the battery cell. To this end, Mercedes-Benz AG contacts the suppliers of the relevant components and asks them to disclose their supplier structure in a self-disclosure” (p. 218). “In the reporting year, the Mercedes Benz Group was able to complete 65% of the process for reviewing all 24 critical raw materials, thereby achieving its target for the year 2024... During the reporting period, it completed the review of graphite, rare earths (REE), quartz sand and silicon. The identified risk areas include child labour, inadequate occupational health and safety, environmental risks related to human rights, and forced labour. The Mercedes-Benz Group also made progress in the reporting period for raw materials that have not yet been finally reviewed: It has collected important data that is necessary for the review – on deposits, production volumes, mining and processing of the raw materials, as well as on trade in them” (p. 218). Mercedes discloses that 346 suppliers and sub suppliers from battery cell providers to mine sites have so far been identified (Raw Material Report, p. 79).</p> <p>The company’s Raw Material Report provides additional detail about the results of their mapping. This is organised by relevant raw material, and includes the main country of origin, risks, and the car parts containing the relevant raw material.</p> <p>Annual Report 2024 https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf#page=112</p> <p>Raw Material Report 2024 https://group.mercedes-benz.com/dokumente/nachhaltigkeit/produktion/mercedes-benz-raw-material-report.pdf</p>	2

Company analysis - human rights & responsible sourcing						
Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
		2.2.2. The company discloses conflict minerals risks in their supply chain and where they are located.	1	<p>Note: Conflict minerals refers to tin, tungsten, tantalum and gold or "3TG".</p> <p>25%: the company discloses the risks of sourcing conflict minerals from CAHRAs in their supply chains, specifying the minerals and countries of origin potentially involved.</p> <p>25%: the company discloses whether they source conflict minerals from CAHRAs, as well as the relevant transition minerals and countries of origin involved.</p> <p>50%: the company describes the human rights risks associated with the CAHRA countries they source conflict minerals from in some level of detail. Note: to score here, the description must be based on findings from the company's due diligence measures, and not constitute a generic description.</p>	<p>Mercedes discloses the risks of sourcing conflict minerals from CAHRAs in their supply chains. The company's Raw Material Report lists 3TG and their main countries of origin (p. 160).</p> <p>However, Mercedes does not actually confirm whether they source any of the 3TG from a CAHRA country.</p> <p>Raw Material Report 2024 https://group.mercedes-benz.com/dokumente/nachhaltigkeit/produktion/mercedes-benz-raw-material-report.pdf</p>	0.25
		2.2.3. The company discloses broader transition minerals risks in their supply chain and where they are located.	1	<p>The following scores are absolute and not cumulative:</p> <p>100%: the company discloses broader risks from transition minerals in their supply chains and where these are located, by reference to tier, and geographical location for lithium, nickel, cobalt and at least one other mineral.</p> <p>50%: the company discloses broader risks from transition minerals in their supply chains and where these are located, by reference to tier and geographical location for lithium, nickel and cobalt.</p> <p>25%: the company discloses broader risks from sourcing at least one transition mineral, with reference to tier and geographical location and/or the company discloses human rights risks of sourcing transition minerals in general, including countries of origin, without disaggregating this information for individual minerals</p>	<p>Mercedes discloses broader risks from transition minerals in their supply chains and where these are located, by reference to tier, and geographical location for lithium, nickel, cobalt, as well as graphite, REE and other "traditional" minerals.</p> <p>While maximum points are awarded, it should be noted that information on the countries of origin of minerals in Mercedes' actual supply chain is limited. While the company provides general information about the main countries of origin of the relevant raw materials, the actual country of origin (or at least one of the countries of origin) of the transition minerals in the company's supply chain can only be confirmed for cobalt (DRC), nickel (Indonesia), graphite (Madagascar), lithium (Chile), and REEs (Myanmar). This information can sometimes only be inferred (e.g. information regarding on-the-ground projects or local actors the company is engaging with, which sometimes specifies the location). See Raw Material Report, p. 40, 43, 59, 79, 103, and 141.</p> <p>Raw Material Report 2024 https://group.mercedes-benz.com/dokumente/nachhaltigkeit/produktion/mercedes-benz-raw-material-report.pdf</p>	1
		2.2.4. The company publishes a list of smelters or refiners (SoR) in its supply chain	1	<p>100%: the company publishes a complete list of smelters/refiners in their supply chain for at least 3TG minerals.</p> <p>50%: the company publishes a partial list of smelters/refiners in their supply chain. Note: to score here, the company must disclose a significant number of SoRs.</p>	Not disclosed	0

Company analysis - human rights & responsible sourcing

Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
		2.2.5. The company discloses which of the SoRs in its supply chain are conformant with the Responsible Minerals Initiative (RMI).	1	<p>100%: the company discloses information on RMI conformance for all of the SoRs identified in their supply chain.</p> <p>50%: the company only discloses information on RMI conformance for some of the SoRs in its supply chain or only discloses information on RMI conformance on an aggregate / percentage basis-</p> <p>Note: 0.4 points modifier applied due to multistakeholder initiative assessment. See sheet 8.</p>	<p>The company requires suppliers to source only from RMAP-conformant or active SoRs (RRS, Section II, 2.10).</p> <p>However, it does not disclose information about RMI conformance for all or some of its SoRs, even on an aggregate basis.</p> <p>Responsible Sourcing Standards https://supplier.mercedes-benz.com/docs/DOC-2672</p>	0
	2.3. Prevent, Mitigate and Account	2.3.1. The company discloses how it monitors suppliers for compliance with the transition minerals due diligence requirements.	2	See general HR indicators	See general HR indicators	0.8
		2.3.2. The company formally engages SoRs to build their capacity to conduct due diligence of their own supply chains.	2	<p>25%: the company discloses that it participates in industry wide schemes that engage with smelters/refiners on their compliance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRAs.</p> <p>25%: the company specifies that it engages directly with SoRs to build their capacity to conduct due diligence.</p> <p>50%: the company provides detail on how it engages with SoRs to build their capacity</p>	<p>Mercedes is a member of RMI, “with the ambition to promote responsible procurement of raw materials worldwide” (AR, p. 220).</p> <p>The company’s outreach activities are conducted through participation in RMI working groups: “Outreach activities to eligible smelters or refiners for participation in RMAP as part of participation in RMI’s Gold Working Group” (Raw Material Report, p. 168).</p> <p>The company reports on some outreach activities with smelters or refiners (e.g. Raw Material Report, p. 168), but it is not clear whether this outreach is to build their capacity to conduct due diligence.</p> <p>Annual Report 2024 https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf#page=112</p> <p>Raw Material Report 2024 https://group.mercedes-benz.com/dokumente/nachhaltigkeit/produktion/mercedes-benz-raw-material-report.pdf</p>	0.5

Company analysis - human rights & responsible sourcing						
Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
		2.3.3. The company formally engages extractives companies and includes human rights clauses in any contractual arrangements.	2	<p>50%: the company discloses that it has entered into direct agreements with extractives companies for the sourcing of transition minerals and that these companies are subject to human rights requirements</p> <p>50%: the company discloses the name of extractive companies it has entered into direct agreement with, the relevant transition minerals, and the location of the relevant mine or mines. Note: to score here, the company must provide this level of detail for a meaningful number of contracts (one or two is not enough).</p>	<p>Mercedes confirms that they source some raw materials directly (Raw Material Report, p. 5, AR, p. 139) but the company does not disclose any relevant information.</p> <p>Raw Material Report 2024 https://group.mercedes-benz.com/dokumente/nachhaltigkeit/produktion/mercedes-benz-raw-material-report.pdf</p>	0
		2.3.4. The company is a member of IRMA and actively engages their suppliers with regards to IRMA mining audits. Note: IRMA does not excuse companies from doing their own supply chain due diligence	2	<p>25%: The company is a member of IRMA.</p> <p>50%: The company actively engages extractive companies within its supply chain regarding auditing by IRMA.</p> <p>25%: the company has established requirements for minerals / metals within its supply chain to be sourced from IRMA audited mines. Note: such requirements do not need to be effective immediately, but the requirement must at least refer to a pathway towards sourcing from mines that have undergone independent IRMA audits within a period of time. Requirements can apply to extractive companies and/or downstream suppliers (e.g. battery manufacturers).</p> <p>Note: 0.8 points modifier applied due to multistakeholder initiative assessment. See sheet 8.</p>	<p>Mercedes is a member of IRMA (AR, p. 220).</p> <p>The company engages with mining companies directly regarding IRMA auditing. In a webpage dedicated to explaining their activities in selected raw material supply chains (to which the Raw Material Report links - p. 6), the company explains that they are “working with IRMA and RCS Global on a step-by-step approach that allows a limited number of cobalt mines in the Democratic Republic of Congo to be audited according to specific requirements”.</p> <p>Mercedes is also actively engaging suppliers regarding IRMA auditing. The company explains that since 2021, they have been using IRMA as a precondition in all battery-related awards and require suppliers to exclusively use cobalt, lithium, nickel, natural graphite and manganese from IRMA-audited mines in newly commissioned scopes of supply (Raw Material Report, p. 31).</p> <p>The company has adopted a gradual approach: “Because IRMA is still at the beginning of industry-wide application, we are relying on transitional periods. With our clear requirement, we accelerate the establishment of the standard under realistic conditions: we are gradually moving towards increasingly responsible practices with the medium-term goal of robust certification. For example, we expect at least proof of IRMA Transparency at the start of production of the corresponding purchased part from the supplier and three years later, the achievement of IRMA 50 or higher” (p. 31).</p> <p>Raw Material Report 2024 https://group.mercedes-benz.com/dokumente/nachhaltigkeit/produktion/mercedes-benz-raw-material-report.pdf</p> <p>Our activities in the cobalt supply chain (webpage) https://group.mercedes-benz.com/sustainability/human-rights/supply-chains/cobalt.html</p>	1.6

Company analysis - human rights & responsible sourcing

Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
		2.3.5. The company reports on how it is prepared to respond if it finds non-conformances associated with its responsible minerals sourcing policy occurring in its operations or supply chains.	1.5	See general HR indicators	See general HR indicators	1
		2.3.6. The company discloses how they verify the implementation of corrective actions.	1	See general HR indicators	See general HR indicators.	0
	2.4. Remedy	2.4.1. The company has put in place a formal mechanism whereby grievances can be raised about SoR facilities.	1	<p>50%: the company has put in place an independent, formal grievance mechanism that applies specifically to SoRs. This mechanism may be run in conjunction with other auto manufacturers. Note: this is in addition to any generic grievance mechanism that can be accessed by external stakeholders.</p> <p>50%: the company discloses how they review and investigate grievances raised through this mechanism.</p>	Not disclosed	0

Company analysis - human rights & responsible sourcing

Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
3. Indigenous Peoples' Rights and Free Prior and Informed Consent (FPIC)	3.1. Commit	3.1.1. The company explicitly commits to respecting the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).	1	100%: the company has an explicit commitment to the UNDRIP in their human rights policy and/or in a standalone Indigenous Peoples' rights policy.	The company does not commit explicitly to the UNDRIP in any of its policies.	0
		3.1.2. The company has a public commitment to FPIC.	1	100%: the company has an explicit commitment to FPIC in their human rights policy and/or in a standalone Indigenous Peoples' rights policy. Note: to score full points, the commitment must be unqualified. 50%: the company has an explicit commitment to FPIC in their human rights policy and/or in a standalone Indigenous Peoples' rights policy, but it is qualified (e.g. it allows for only consultation in practice, it is expected only in certain circumstances, it applies only to certain parts of the supply chain, etc.)	The company does not commit explicitly to FPIC in its human rights policy and/or in a standalone Indigenous Peoples' rights policy.	0
		3.1.3. The company requires its tier 1 suppliers to respect Indigenous Peoples' rights	2	The SCoC, responsible sourcing policy or equivalent explicitly requires suppliers to respect the UNDRIP (50%) and FPIC (50%). MODIFIER: Points will be halved if the policy is qualified.	<u>Mercedes' RSS requires respect for the UNDRIP, but only in relation to FPIC, so its scope is limited.</u> <u>However, the company' RSS does require respect of FPIC in line with UNDRIP (Section II, 2.9).</u> <u>Note: Mercedes' Annual Report describes the company's requirements on suppliers, and only refers to the ILO Convention 169: "respect the principles of free, prior and informed consent of indigenous peoples in its activities as defined in the ILO Convention No. 169". This is inconsistent with the current RSS and should be corrected to avoid any confusion.</u> <u>Responsible Sourcing Standards https://supplier.mercedes-benz.com/docs/DOC-2672</u> <u>Annual Report 2024 https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf#page=112</u>	1.5

Company analysis - human rights & responsible sourcing						
Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
		3.1.5. These commitments are translated into the languages used by the impacted Indigenous Peoples.	1	<p>50%: the company requires suppliers to translate these commitments to the languages of the impacted Indigenous Peoples.</p> <p>50%: the company requires that these translations are actively made available to the Indigenous Peoples concerned.</p>	Not disclosed	0
	3.2. Identify	3.2.1. The company has a process in place to assess risks to Indigenous Peoples' rights in their supply chain to the point of extraction.	1	<p>25%: The company discloses that their supply chain risk identification process explicitly includes FPIC and other Indigenous Peoples' rights issues through to the point of extraction.</p> <p>25%: the company discloses where in the supply chain these risks occur (e.g. materials, tiers, and geographical location).</p> <p>25%: the company explains how Indigenous Peoples are involved in the risk identification process.</p> <p>25%: the company provides case studies of this process in practice. Case studies should include information on the location, supplier/s involved, the potential impacts on Indigenous Peoples' rights, the Indigenous Peoples concerned and their objections or concerns, and the way the company went about or is ensuring that the specific rights in question are respected.</p>	<p>Mercedes' risk identification process systematically includes FPIC and other Indigenous Peoples' rights issues through to the point of extraction. Risks to "Communities and Indigenous Peoples' Rights" are listed as salient risks in the company's raw material supply chains (Raw Material Report, p. 7). Specific critical raw materials are assessed against the nine salient risk areas listed in the company's RSS. These include "Protection of Local Communities and Indigenous Peoples", and FPIC (p. 7).</p> <p>Risks to Indigenous Peoples' rights have been identified in relation to the company's aluminium, cobalt, copper, graphite, lithium, nickel, PGMs, REEs, and Silica Sand and Silicon supply chains. The company indicates that these risks all occur at mining level (raw material profiles in the Raw Material Report, p. 47-150). The company reports on the geographical location of these risks in relation to some of the raw materials (e.g. Guinea and Brazil regarding aluminium, Indonesia regarding nickel, etc.).</p> <p>Mercedes states in its Annual Report that the company "systematically involves potentially affected stakeholders in the review of its 24 raw materials identified as critical in order to identify human rights and environmental risks and implement suitable actions" (p. 128) The company also states that "the inclusion of potentially or actually affected rightsholders is a cornerstone of the raw material assessment" (Raw Material Report, p. 24).</p> <p>However, the company does not explain how Indigenous Peoples specifically are involved in the risk identification process, and does not provide any examples or case studies to demonstrate this in practice.</p> <p>Raw Material Report 2024 https://group.mercedes-benz.com/dokumente/nachhaltigkeit/produktion/mercedes-benz-raw-material-report.pdf</p> <p>Annual Report 2024 https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf#page=112</p>	0.5

Company analysis - human rights & responsible sourcing

Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
	3.3. Prevent, Mitigate and Account	3.3.1. The company provides additional discussion regarding the practices by which suppliers must obtain FPIC	1	<p>100%: the company describes in detail the process that suppliers must follow (for example, guidance put in place by the company for suppliers to follow, or other practical means of operationalising the company's FPIC commitments throughout the supply chain).</p> <p>25%: the company states a minimum expectation for suppliers and/or the process it describes is limited in its application.</p>	<p>Mercedes provides minimal indications to suppliers in the RSS, including considering the local impacts of their activities on local communities, including in relation to the use of lands, water, and forests, relocation of Indigenous Peoples and other impacts on Indigenous Peoples' rights in line with UNDRIP, and respect for the rights of uncontacted Indigenous Peoples (Section II, 2.9).</p> <p>Responsible Sourcing Standards https://supplier.mercedes-benz.com/docs/DOC-2672</p>	0.25
		3.3.2. The company is a member of a multi-stakeholder group (e.g. IRMA) that includes the participation of Indigenous Peoples to ensure respect of Indigenous Peoples' rights at the point of extraction.	2	Refer to Responsible Sourcing of Transition Minerals indicators.	Refer to Responsible Sourcing of Transition Minerals indicators.	1.6
		3.3.3. The company has a formal process in place to engage critical upstream suppliers on FPIC (e.g. extractives companies)	2	<p>This score relates to direct engagement by the company with extractives companies. Note: It is in addition to their membership of IRMA, and it applies whether the extractive companies are direct or indirect suppliers.</p> <p>25%: the company formally engages extractive companies regarding FPIC.</p> <p>25%: the company states that they formally review company documents (e.g. meeting minutes) to ensure that Indigenous Peoples' FPIC has been provided.</p> <p>50%: the company engages directly with representatives of Indigenous Peoples affected by mining operations to review that regular engagement and consultation take place, community needs are responded to, and there continues to be FPIC.</p>	<p>Mercedes does not provide any information regarding process or practices to engage extractive companies directly regarding FPIC, or any activities the company undertakes to ensure FPIC at mining level.</p> <p>While the company provides examples of engagement with extractive companies and local communities, including Indigenous Peoples (e.g. Corridor Program in Brazil, in Raw Material Report, p. 42), none of these concern FPIC or focus on addressing and resolving specific FPIC challenges.</p> <p>Raw Material Report 2024 https://group.mercedes-benz.com/dokumente/nachhaltigkeit/produktion/mercedes-benz-raw-material-report.pdf</p>	0

Company analysis - human rights & responsible sourcing

Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
		3.3.4. The company reports on how it is prepared to respond if it finds FPIC breaches in its supply chain.	1	<p>The general HR indicators provide a baseline for this. In addition:</p> <p>25%: the company discloses the action it will take if disagreements or disputes with Indigenous Peoples arise in its supply chain.</p> <p>25%: the company discloses the action it will take if it finds FPIC breaches in its supply chain.</p> <p>50%: the company explains how the Indigenous Peoples affected by FPIC breaches are involved in decisions about how to respond (including, but not limited to, whether the company should suspend or cease its relationship with a supplier).</p>	Not disclosed	0
	3.4. Remedy	3.4.1. The company's grievance mechanism has a process for investigating and remedying breaches of FPIC that includes a formal role for impacted Indigenous Peoples.	1	<p>FPIC is a continuous process – not a single decision at a single moment in time. Grievance mechanisms should be able to address FPIC concerns throughout the lifetime of a project.</p> <p>25%: the company explains how it involves Indigenous Peoples in the design of its grievance mechanisms and/or processes to address their complaints.</p> <p>25%: the company explains how it involves Indigenous Peoples in the investigation of grievances and determination of remedy.</p> <p>50%: the company provides examples or case studies of remedy provided to Indigenous Peoples for confirmed breaches of FPIC in the supply chain.</p>	Not disclosed	0

Company analysis - human rights & responsible sourcing						
Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
4. Respect for Workers' Rights	4.1. Commit	4.1.1. The company has a commitment to workers' rights	1	<p>25%: The company's human rights policy (or similar) includes a specific commitment to the ILO Declaration on Fundamental Principles and Rights at Work and/or the ILO Fundamental Conventions.</p> <p>OR</p> <p>50%: The company identifies and commits to respecting each of the five Fundamental Principles and Rights at Work as established in the ILO Declaration (companies who do not make explicit and unqualified commitments to all five ILO principles will not be scored):</p> <ol style="list-style-type: none"> 1. freedom of association and the effective recognition of the right to collective bargaining; 2. the elimination of all forms of forced or compulsory labour; 3. the effective abolition of child labour; 4. the elimination of discrimination in respect of employment and occupation; and 5. a safe and healthy working environment. <p>PLUS</p> <p>25%: the company has a commitment to a living wage in their human rights policy or in another formal policy document.</p> <p>25%: the company outlines how it calculates a living wage.</p>	<p>Mercedes' Principles of Social Responsibility and Human Rights include a commitment to the ILO Declaration on Fundamental Principles and Rights at Work (p. 5) and explicitly mentions the five fundamental principles (p. 7-8).</p> <p>The company commits to paying an appropriate wage that "is at least equal to the minimum wage established under applicable local law and, in addition, enables our employees to at least secure their livelihood", but not to a living wage (p. 9).</p> <p>Principles of Social Responsibility and Human Rights https://group.mercedes-benz.com/documents/sustainability/society/mercedes-benz-grundsatzerklaerung-fuer-soziale-verantwortung-und-menschenrechte-de.pdf</p>	0.5

Company analysis - human rights & responsible sourcing						
Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
		<p>4.1.2. The company extends their workers' rights commitments to their Tier 1 suppliers and beyond.</p> <p>Note: only the specific worker rights commitments are evaluated here. Whether or not these commitments are extended beyond tier 1 suppliers is evaluated in the "General" human rights section.</p>	2	<p>25%: The SCoC includes a specific commitment to the ILO Declaration on Fundamental Principles and Rights at work and/or the ILO Fundamental Conventions.</p> <p>OR</p> <p>50%: The SCoC includes specific requirements on each of the five Fundamental Principles and Rights at Work as established in the ILO Declaration (companies whose SCoCs do not include explicit and unqualified requirements on all five ILO principles will not be scored):</p> <ol style="list-style-type: none"> 1. freedom of association and the effective recognition of the right to collective bargaining; 2. the elimination of all forms of forced or compulsory labour; 3. the effective abolition of child labour; 4. the elimination of discrimination in respect of employment and occupation; and 5. a safe and healthy working environment. <p>PLUS</p> <p>25%: the SCoC requires suppliers to pay a living wage.</p> <p>25%: the SCoC prohibits the payment of recruitment fees.</p>	<p>Mercedes' RSS includes explicit requirements on the five fundamental principles (Section II, 2.1 to 2.5).</p> <p>In a significant regression from last year, the updated RSS no longer explicitly prohibits recruitment fees.</p> <p>The RSS does not require payment of a living wage. Mercedes requires suppliers to pay adequate remuneration, which it defines as "at least equal to the minimum wage set by the applicable laws and regulations and sufficient to enable employees to at least cover their living expenses" (RSS, Section II, 2.6).</p> <p>Responsible Sourcing Standards https://supplier.mercedes-benz.com/docs/DOC-2672</p>	1
	4.2. Identify	<p>4.2.1. The company consults trade unions and/or workers' representatives in their assessment of salient workers' rights risks in their supply chain.</p>	1	<p>Generic supply chain indicators provide a baseline score for this. To get additional points here, companies must specify that they consult with labour unions and/or workers' representatives regarding salient workers' rights in the supply chain. This must expressly include labour unions and/or workers' representatives in the supply chain and/or global union federations (GUFs)</p> <p>Note: workers' representatives are not a substitute for trade unions where trade unions are allowed to operate and not limited in their activities.</p>	<p>The company states that they consult potentially affected rightsholders and their representatives in their risk assessments in order to identify human rights risks and develop suitable measures (AR, p. 128, 220).</p> <p>The company also states that they consult trade unions, among other groups, to review their classification of the salient risk areas regarding their priority raw materials as well as the appropriateness of mitigating measures (Raw Material Report, p. 24).</p> <p>While this is welcome information, it is not clear whether the trade unions the company refers to are or include supply chain trade unions. While points are awarded this year, we will only continue to award points in the future if it is sufficiently clear that the consulted trade unions are or included those in the supply chain, as required by the indicator.</p> <p>Annual Report 2024 https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf#page=112</p> <p>Raw Material Report 2024 https://group.mercedes-benz.com/dokumente/nachhaltigkeit/produktion/mercedes-benz-raw-material-report.pdf</p>	1

Company analysis - human rights & responsible sourcing

Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
		4.2.2. The company discloses the salient workers rights risks in their supply chain and where they are located.	1	<p>The following scores are absolute not cumulative: 100%: the company's risk assessment explicitly identifies the salient risks to workers' rights and describes where in the supply chain these are located.</p> <p>25%: the company's risk assessment explicitly identifies workers' rights risks for at least one material / supply chain and the location/s.</p>	<p>Mercedes' Annual Report lists the salient risks to workers' rights in the supply chain (p. 214), but does not indicate the tier where these risks occur.</p> <p>The company's Raw Material Report provides more information. It also lists these risks, and provides information about tier and, occasionally, geographical location. Risks to labour rights exist, for example, in the company's aluminium, cobalt, copper, and graphite supply chains, among others (p. 47, 58, 70, 78).</p> <p>Annual Report 2024 https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf#page=112</p> <p>Raw Material Report 2024 https://group.mercedes-benz.com/dokumente/nachhaltigkeit/produktion/mercedes-benz-raw-material-report.pdf</p>	1
4.3. Prevent, Mitigate and Account	4.3.1. The company actively collaborates with workers and the representative organisation(s) of workers' own choosing to promote respect for workers' rights in its supply chain.	2		<p>25%: the company has a collective agreement with the relevant trade union in the headquartered country.</p> <p>25%: the company has a global framework agreement with IndustriALL for neutrality across all its operations.</p> <p>25%: the company describes the formal mechanisms it has put in place to consult trade unions and/or workers' representatives on the company's workers' rights principles and/or policies.</p> <p>25%: IndustriAll was actively involved in the formulation of the company's workers' rights principles and/or policies.</p>	<p>The company discloses that "collective bargaining agreements exist for the majority of employees across the Group", including Mercedes-Benz Group AG, Mercedes-Benz AG and other Group units (AR, p. 207). This does not indicate whether the company has a collective agreement with the relevant trade union in the headquarter country, but the company did confirm this in last year's reporting, which will be counted for scoring this year.</p> <p>Mercedes has signed a GFA with IndustriALL. IndustriALL and the company's Work Council were also actively involved in the formulation of the company's human rights policy, including workers' principles (Principles of Social Responsibility and Human Rights, p. 6, 17).</p> <p>The company has a number of established mechanisms to consult with trade unions. "This exchange takes place through the structured involvement of employee representatives in various committees (e.g. personnel commission, economic committee). The co-determination rights under the Works Constitution Act (BetrVG) are preserved and workers' representatives are involved in decisions on social, personnel and economic issues"... "The working conditions of employees are regulated in a binding manner in Group, General and Works Agreements. In addition, representatives of the workforce are part of the Supervisory Board" (AR, p. 207). Engagement takes place through the works council committees at the locations, the General Works Council, the Group Works Council, the European Works Council and the World Employee Committee (AR, p. 206).</p> <p>Annual Report 2024 https://group.mercedes-benz.com/documents/investors/reports/annual-report/mercedes-benz/mercedes-benz-annual-report-2024-incl-combined-management-report-mbg-ag.pdf#page=112</p> <p>Principles of Social Responsibility and Human Rights https://group.mercedes-benz.com/documents/sustainability/society/mercedes-benz-grundsatzerklaerung-fuer-soziale-verantwortung-und-menschenrechte-de.pdf</p>	2

Company analysis - human rights & responsible sourcing

Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points
		4.3.2. The company reports on how it is prepared to respond if it finds non-conformances associated with its workers' rights policy occurring in its operations or supply chains.	1.5	Refer to general HR indicators.	Refer to general HR indicators.	1
		4.3.3. The company works with the relevant trade union and/or worker representative organisation to verify the implementation of corrective actions pertaining to workers' rights.	2	<p>50%: the company specifies that it works with the relevant trade union and/or workers' representatives in the elaboration of corrective action plans.</p> <p>50%: the company specifies that it works with the relevant trade union and/or workers' representatives in the verification of corrective action plan implementation.</p>	<p>Mercedes' RSS state that rightsholders who are affected by an actual adverse impact "and/or third parties acting on their behalf, are to be involved in the development and implementation of the corrective action plan and regularly consulted" (Section II, 4.2).</p> <p>While this is an excellent commitment and example of best practice, unfortunately the company does not indicate whether this includes trade unions and/or workers' representatives, so points cannot be given.</p> <p>Responsible Sourcing Standards https://supplier.mercedes-benz.com/docs/DOC-2672</p>	0
	4.4. Remedy	4.4.1 Workers and the representative organisations of workers' own choosing are formally included in the remedy process.	1	<p>50%: the company specifies that trade unions and/or workers' representatives are formally involved in any remedy process concerning breaches of workers' rights in the supply chain.</p> <p>50%: the company provides examples or case studies of remedy provided to workers for confirmed breaches of workers' rights in the supply chain.</p>	Not disclosed	0

Company analysis - human rights & responsible sourcing

Sub-section	Indicator Category	Indicators	Total Number of Points	Score Attribution Note: scores are cumulative unless otherwise specified.	Mercedes analysis	Mercedes Points

Indicator category	% weighting	Normalized weighting
Climate & Environment		
Disclose	100%	1.0
Target setting & progress	150%	1.5
Supply chain levers	200%	2.0
		4.5
Human rights		
Commit	100%	1.0
Identify	150%	1.5
Prevent, Mitigate and Account	200%	2.0
Remedy	200%	2.0
		6.5

Note: Total scores across both categories were taken as an average of the two percentages scored for each one