



Mercedes-Benz

# Supplier Sustainability Standards.

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## Preamble

These standards represent requirements for all Mercedes-Benz AG suppliers regarding human rights, labor standards, business ethics, environmental protection and safety. They have worldwide application and are directed at both product suppliers and service providers. The contents of this document are incorporated into the terms of the contracts with our suppliers around the world. Companies are obligated to communicate these requirements to their employees as well as to their own suppliers and to ensure compliance. Moreover, Mercedes-Benz expects its business partners to observe all applicable laws and regulations.

Our frame of reference encompasses the Universal Declaration of Human Rights and the Global Compact of the United Nations, the Guidelines for Multinational Enterprises of the Organization for Economic Co-operation and Development (OECD) and the conventions of the International Labour Organization (ILO).

Mercedes-Benz AG applies the same provisions concerning labor standards, business ethics, environmental protection and safety to its own business operations. They are implemented by means of our Integrity Code, our Principles of Social Responsibility and our environmental and energy policies.

Mercedes-Benz supports its suppliers with specific information and trainings for the implementation of these requirements.

Furthermore, Mercedes-Benz reserves the right to verify compliance and, in the event of violations, to draw appropriate consequences.

The central platform of communication with suppliers is our Mercedes-Benz Supplier Portal.

The German version of this document as well as further information are available at the Mercedes-Benz Portal <https://supplier-portal.daimler.com/portal/en>.

# I. Labor Standards

## 1. Observance of Human Rights

Suppliers are obligated to respect internationally recognized human rights and to promote adherence to them. For all business activities within their sphere of influence, suppliers shall make every effort to ensure that they, their business partners and their suppliers do not violate any human rights or become involved in any such violations.

## 2. Free Choice of Employment

Forced or compulsory labor is prohibited. Employees must have the freedom to terminate their employment, provided they give reasonable notice.

## 3. Ostracism of Child Labor

Child labor is not allowed at any phase of production or processing. As a minimum, suppliers are requested to comply with the ILO's conventions on minimum employment age and the ban on child labor. Children must not be inhibited in their development. Their health and safety must not be impaired.

## 4. Equal Opportunities/Ban on Discrimination

Suppliers are obligated to ensure equal opportunity of employment and avoid all forms of discrimination. Discrimination against employees, for instance on the basis of race, origin, nationality, skin color, religion, ideology, political or union activity, gender, sexual orientation, age, disability, disease or pregnancy, is prohibited.

## 5. Freedom of Association and the Right to Collective Bargaining

Companies should preserve freedom of association and actively acknowledge the right to collective bargaining. They must ensure that their employees can discuss working conditions openly with management without fear of punishment. The right of employees to assemble, join a union, appoint representatives and be elected to the union must be respected.

## 6. Fairness in Pay, Working Hours and Social Benefits

Compensation and social benefits must correspond to the basic principles of minimum wages, applicable overtime regulations and statutory social benefits. Work hours and time off must, as a minimum, be in conformity with applicable laws, industry standards or relevant ILO conventions, whichever are strictest.

## 7. Health and Safety at the Workplace

As employers, suppliers shall ensure health and safety in the workplace at levels no less than those required by national legislation, and shall support the continuous advancement and improvement of working conditions.

## II. Business Ethics and Compliance

### 1. Adherence to Laws

We expect the highest level of integrity in all business activities and business relationships. Suppliers are requested to refrain from all forms of fraud or disloyalty, insolvency crimes, corruption, granting of unfair advantages, and giving or taking bribes. Suppliers are obligated to obey all laws and regulations, which apply to them and their business relations with Mercedes-Benz.

### 2. Fair Competition

Laws that protect and promote competition, in particular laws against restraints on competition, must be adhered to. Companies must respect rules of fair competition and comply with the ban on agreements with competitors or other actions taken to interfere with the free market.

### 3. Avoidance of Conflicts of Interests

When dealing with business partners, suppliers are obligated to make decisions solely based on objective information and not allow themselves to be influenced by personal or selfish financial interests.

### 4. Safeguarding of Trade Secrets

Suppliers are obligated to treat as confidential all non-public financial and technical details to which they become privy during the course of the business relations.

### III. Environmental Protection and Safety

#### 1. Environmental Responsibility

When addressing environmental issues, suppliers must follow precautionary principles and take initiatives to promote greater environmental responsibility as well as the development and spread of environmentally friendly technologies.

#### 2. Environmentally Friendly Production

Optimum environmental protection must be guaranteed during every phase of production. This includes a proactive approach to preventing and minimizing the impact of accidents that may harm the environment. Especially significant in this context are the utilization and continued development of technologies for conserving energy and water, characterized by the use of strategies for reduction of emissions, reuse and recycling of materials.

#### 3. Environmentally Friendly Products

All products manufactured along the supply chain must meet the environmental standards of their market segments. This applies to the complete product life cycle as well as to all materials used. Chemicals and other substances, which are potentially harmful substances if released into the environment, must be identified. A management system for hazardous materials must be established to enable safe handling, transport, storage recycling, reuse, and disposal of such materials.

#### 4. Products Safety and Quality

All products and services must meet contractual criteria for quality and active and passive safety upon delivery. They must be used safely in line with their intended purpose.

Suppliers are required to communicate the contents of this document to their suppliers, obligate them to observe the same requirements and verify that these Sustainability Standards are adhered to throughout the supply chain.