

140 YEARS OF
INNOVATION



Annual Report 2025

Mercedes-Benz Group

The Mercedes-Benz Group

In 2026, the Mercedes-Benz Group will celebrate a very special anniversary: 140 years of innovation.

Since the registration of the engine patent in 1886, the brand Mercedes-Benz has shaped mobility and continuously set new standards in technology, design, and progress. The Group is one of the most successful automobile companies in the world and one of the largest providers of high-end cars and premium vans. Financing, leasing, vehicle subscriptions and rentals, fleet management, digital services related to charging electric vehicles, and insurance services round off the range of services.

€132.2 billion

Revenue

€5.8 billion

EBIT

€32.2 billion

Net liquidity of the
industrial business

€5.4 billion

Free cash flow of the
industrial business

164,120

Employees worldwide
as of 31 Dec. 2025



Mercedes-Benz



MAYBACH

Mercedes-Benz Bank

Mercedes-Benz
Financial Services



	Mercedes-Benz Cars	Mercedes-Benz Vans	Mercedes-Benz Financial Services
Adjusted return on sales / Adjusted return on equity	5.0%	10.2%	9.7%
Adjusted cash conversion rate	1.2	0.6	
Investments in property, plant and equipment	€4.1 billion	€1.2 billion	
Research and development expenditure	€8.6 billion	€1.1 billion	
Unit sales	1.801 million	359 thousand	
Share of electrified vehicles (xEVs)	20.5%	7.9%	



The all-new Mercedes-Benz CLA

TO OUR SHAREHOLDERS

- 6 Letter from the CEO**
- 8 The Board of Management**
- 9 Report of the Supervisory Board**
- 18 The Supervisory Board**



Letter from the CEO



Ola Källenius

Chairman of the Board of Management
of Mercedes-Benz Group AG

Dear Shareholders,

This year we celebrate 140 years of the automobile. Since its invention by our founding fathers, the car has been more than just a means of transportation. It is a promise of freedom, comfort and safety. In 2025, we at Mercedes-Benz have reinforced this promise with fascinating products and pioneering technologies. At the same time, we have quickly adapted to new realities – from volatile tariff policies and intense competition in China to an uncertain regulatory framework in Europe. In a very dynamic environment, we have achieved our financial targets as forecast. On behalf of the entire Board of Management, I would like to thank all our employees for this. In 2026, we will continue on this course with even greater momentum and a focus on three areas.

We develop products that exceed our customers' expectations

Strong products are the best response in any market environment. That is why we kicked off the biggest product and technology launch programme in the history of Mercedes-Benz in 2025. With the new CLA, we have set standards in the entry segment – from efficiency and safety to software. With the GLC, we've heralded our new design strategy – confident, timeless and unmistakably Mercedes-Benz. The high demand for these products confirms that we are on the right track.

The execution of our product campaign will gain even more momentum in 2026. A new SUV will complete the range in the entry segment. The "Core" segment remains the backbone of our business. This year, we are strengthening it with the new C-Class with its electric range of up to 800 kilometres, along with the new GLE. We are also expanding our presence in the "Top-End" segment. The first step will be the completely redesigned S-Class followed by the

Maybach version. At AMG, we will be introducing the first model based on a new electric architecture. And next year, we will continue the history of the iconic G-Class with a convertible version.

The product launch programme follows a clear strategy: we offer the full range of drivetrains, and our customers decide which technology suits them best.

We are bringing groundbreaking technologies to the road

All new products will feature the latest Mercedes technology. The basis for this is our MB.OS operating system, which we introduced with the CLA. It marks the start of a new era: every new Mercedes-Benz will now be a software-defined vehicle. With generative AI, we are making the interaction between customer and vehicle even more intuitive and personalized. Together with our partners, we are taking automated driving in urban areas to the next level. At the same time, we are developing a robotaxi ecosystem. In terms of drivetrain technology, our new engines set new standards in performance and efficiency. We are bringing the groundbreaking technology of the Concept AMG GT XX into series production this year. With the “Tomorrow XX” technology programme, we want to break new ground in terms of sustainability with our products.

We are strengthening our global competitiveness

We want to not only lead in technology but also strengthen our competitiveness. That is why we are continuing to work determinedly on increasing our efficiency. We are implementing measures across the entire value chain in all our key markets. In China, we are responding to intense competition with a range of new, tailor-made products and greater localisation of our research and development activities. In North America, we plan to locally produce another model. In Europe, we are rebalancing our production capacities and will continue to ensure an attractive and accessible entry into the world of Mercedes-Benz in the future. At the same time, we want to exploit the potential of new growth markets.

For 140 years, the Mercedes-Benz star has been a symbol of automotive excellence. We see this heritage as a mandate to continue that success story with the same courage and innovative strength. To this end, we are strengthening our pioneering spirit, promoting accountability and increasing the pace throughout the company. We are becoming even more resilient. We are bringing new technologies into series production. We are strengthening our market position in key regions. And we offer the perfect Mercedes-Benz for every customer need.

We are ready for the future. And we would be delighted if you would accompany us on this journey.

Your

Ola Källenius



The Board of Management



Ola Källenius

Chairman of the Board of Management
Appointed until May 2029



Dr Jörg Burzer

Chief Technology Officer,
Development & Procurement
Appointed until November 2029



Mathias Geisen

Sales & Customer Experience
Appointed until January 2028



Olaf Schick

Integrity, Governance & Sustainability
Appointed until October 2028



Michael Schiebe

Production, Quality & Supply Chain
Management
Appointed until December 2028



Britta Seeger

Human Relations & Labour Director
Appointed until December 2029



Oliver Thöne

Greater China
Appointed until January 2028



Harald Wilhelm

Finance & Controlling
Appointed until March 2027



Report of the Supervisory Board



Dr Martin Brudermüller

Chairman of the Supervisory Board
of Mercedes-Benz Group AG

Dear Shareholders,

The automotive industry continues to undergo a period of radical change. Technological transformation, shifting market structures, regulatory frameworks, trade conflicts and geopolitical tensions are challenging established business models and approaches. The Mercedes-Benz Group responds to these challenges with maximum flexibility and resilience, as well as operational consistency.

Your company is investing specifically in areas that create long-term value. The key factor is a broad-based, attractive and innovative product portfolio combined with an efficient and sustainable cost structure. The strength of this unique brand remains a major advantage, and our claim remains unchanged: we build the most desirable cars in the world. More than 40 new models by 2027 underscore the company's determination to lead the way in all segments.

The Supervisory Board actively supports this strategy in its dual role as a partner and supervisory body. In the past financial year, we have systematically developed and rejuvenated the Board of Management in order to further strengthen dynamism, diversity, creativity and future orientation. The combination of new impetus and ideas on the one hand and extensive experience on the other forms the basis for continued success. We are approaching the tasks ahead of us with optimism and determination. The great innovative strength of our workforce and the global presence of the company form a strong foundation for this.

I would like to thank the Supervisory Board and the Board of Management for their trusting cooperation and all employees for their commitment and openness in responding appropriately to new challenges. Together, we are working to continue the success story of Mercedes-Benz in the years to come.

Supervisory and advisory activities of the Supervisory Board

In the 2025 financial year, the Supervisory Board of Mercedes-Benz Group AG again performed, in full, the duties incumbent upon it by law, the articles of association and the rules of procedure.

In this context, the Supervisory Board continuously advised and monitored the Board of Management in the management of the company and provided support on strategically important issues for the further development of the company.

The Supervisory Board reviewed whether the Annual Financial Statements and Consolidated Financial Statements, the Combined Management Report including the Sustainability Reporting and the other financial reporting complied with the applicable requirements.

Furthermore, after careful review and consultation, it approved numerous business transactions subject to its consent. This related in particular to the approval of significant investment in the development of the Mercedes-Benz operating system MB.OS as well as the drive and product portfolio. It also included financial and investment planning, cooperation projects and the conclusion of contracts of particular importance to the company. The Board of Management informed the Supervisory Board about a large number of other measures and business transactions and discussed them intensively and in detail with the Supervisory Board; for example, the effects on the company of

political developments and trade conflicts in the main markets as well as the reaction to them in terms of business policy and the countermeasures introduced in this respect.

The Board of Management regularly informed the Supervisory Board about all significant business developments of the Group and the divisions. During the reporting period, it kept the Supervisory Board continuously informed about all fundamental issues regarding corporate planning, including financial, investment, sales and personnel planning; current developments at Group companies; the development of revenue; the situation of the company and the divisions; the economic and political environment; and the current status and assessment of significant legal proceedings and the development of the governance and compliance systems. In addition, the Board of Management continuously reported to the Supervisory Board on the profitability and liquidity situation of the company, the development of sales and procurement markets, the overall economic situation and developments on the capital markets and in the financial services sector. Other topics included the further development of the product portfolio, securing the long-term competitiveness of the company and the further implementation of measures to ensure sustainable, future-oriented mobility. The Supervisory Board also dealt in detail with the capital market and its expectations, the share-price development and its background, as well as the expected effects of the strategic projects on the share price.

Working methods of the Supervisory Board

In the 2025 financial year, the Supervisory Board held seven meetings. All meetings were held in person, with the option of participation in virtual form or via telephone. Meeting attendance by the members was at a very high level, as can be seen in the detailed overview at the end of this report.

The work of the Supervisory Board was characterized by open and intensive dialogue. The members of the Supervisory Board regularly prepared for upcoming resolutions using documents provided in advance by the Board of Management. The employee and shareholder representatives also regularly prepared the meetings in separate discussions, which were also attended by members of the Board of Management. In addition, the Supervisory Board was supported intensively by its committees. At the meetings of the Supervisory Board, its members discussed the measures and transactions to be resolved in detail with the Board of Management. Executive sessions were regularly scheduled for the meetings so that topics could be discussed also in the absence of the Board of Management.

The Supervisory Board was also informed of special events outside the regular meetings. In addition, some members of the Supervisory Board and the Board of Management held bilateral meetings to exchange views. The Board of Management also informed the Supervisory Board of the key indicators of the business development and of existing risks by means of written reports.

The members of the Supervisory Board assume responsibility for their training and further education measures in areas that are required for the performance of their tasks and are supported in this by the company. In the reporting period, the company held information events on the topics of IT strategy, road safety and battery technology. Both internal and external experts were involved in these events. In addition, new members of the Supervisory Board had the opportunity to meet the members of the Board of Management and senior executives with specialist responsibility in a specifically designated onboarding programme for a bilateral exchange on fundamental and current topics in respect of the relevant areas of the Board of Management, thus gaining an overview of the topics relevant to the company and an overview of the governance structure. ESG (environmental, social and governance) and sustainability-related thematic blocks were also an integral part of this programme. Furthermore, the members of the Supervisory Board were regularly informed about the regulatory environment relevant to their work on the Supervisory Board and other legal developments affecting them.

Topics of the Supervisory Board's work

In its meeting held on 19 February 2025, the Supervisory Board discussed issues relating to the Board of Management's remuneration for 2024 and 2025, in particular regarding the changes to the Board of Management that had been resolved and the remuneration system for the Board of Management that will take effect from 2026. The latter was presented to the Annual General Meeting in May 2025

for approval and has been approved with an approval rate of 92.2%. In the presence of representatives of the auditor, the Supervisory Board then discussed the preliminary key figures of the 2024 company and Consolidated Financial Statements, the prognosis for 2025 as well as the preliminary proposal to the 2025 Annual General Meeting for the appropriation of profits and noted them with approval. The Supervisory Board determined that there were no objections to their publication. The preliminary key figures for the 2024 financial year, the prognosis for 2025 and the preliminary proposal for the appropriation of profits were published at the annual press conference on 20 February 2025. Also in the meeting on 19 February 2025, the Supervisory Board approved, subject to authorisation by the 2025 Annual General Meeting, a further share buy-back programme to the value of up to €5 billion resolved by the Board of Management. In addition, the Supervisory Board discussed the expiring terms of office of the shareholder representatives van Beurden, Centoni, Höttges, Koch and Svahn. Based on the regulations of stock corporation law and the German Corporate Governance Code, the Supervisory Board decided to propose their re-election to the 2025 Annual General Meeting.

At the meeting held in March 2025, the Supervisory Board discussed the Annual Financial Statements, the Consolidated Financial Statements and the Combined Management Report, including the Sustainability Statement for the 2024 financial year of Mercedes-Benz Group AG and the Group, each of which had been issued with an unqualified audit opinion by the auditor,

as well as the Report of the Supervisory Board, Declaration on Corporate Governance, the Remuneration report, and the proposal for the appropriation of profits. The members of the Supervisory Board were provided with extensive documentation for their preparation. In addition, the Supervisory Board passed its proposed resolutions on the agenda items for the 2025 Annual General Meeting. In order to meet the expectations of investors to improve shareholder participation, it was decided, among other things, to again publish a shareholder letter before the Annual General Meeting. This included, among other things, comments on strategy, the share buy-back programme, the proposed dividend, the Board of Management's remuneration and legal issues.

On 2 April 2025, the Board of Management briefed the Supervisory Board on the tariffs announced by the US administration and discussed both the short-term and the long-term mitigation measures.

In its meeting held on 30 April 2025, there was a particular emphasis on the geopolitical developments with regard to trade and tariffs as well as potential reactions and counter measures, such as the localisation of individual model series. In addition, the Supervisory Board also dealt with the Mercedes-Benz Operating System MB.OS.

At the virtual Annual General Meeting held on 7 May 2025, Ben van Beurden, Liz Centoni, Timotheus Höttges, Olaf Koch and Professor Dr Helene Svahn were re-elected as members of the Supervisory Board. After



the Annual General Meeting, elections were also held for committee appointments.

At the end of July 2025, the Supervisory Board met for another meeting. Together with the Board of Management, the Supervisory Board discussed business development and the results for the first half of the year in detail. In addition, the Supervisory Board dealt with the product strategy and the Mercedes-Benz Operating System MB.OS. Furthermore, it approved M&A transactions subject to its approval. Finally, the Supervisory Board was briefed on current legal issues as well as the status of the ongoing regulatory, civil law, and antitrust proceedings. In relation to the antitrust matters, the Supervisory Board dealt with the status of antitrust issues and the progress of the investigation into possible responsibilities in this context.

In September 2025, the Supervisory Board met for a strategy meeting lasting several days in Stuttgart to discuss the global strategic challenges. With the involvement of responsible managers, the members of the Supervisory Board and the Board of Management discussed, in a constructive and open dialogue, how Mercedes-Benz will position itself in relation to existing and new challenges and what opportunities should be used. One area of focus here was the customer experience along the entire “Customer Journey”. An integral part of the discussions were the sustainability-related aspects as well as the perspective of the capital market. Furthermore, the Supervisory Board decided on changes to the Board of Management.

As part of the meeting held on 12 December 2025, the Supervisory Board dealt with and approved the Mercedes-Benz Business Planning based on comprehensive documentation and discussed existing opportunities and risks in this context. Other items on the agenda included the Board of Management’s report on the current financial status, volumes and prices of vehicle clusters of current as well as future portfolios of Mercedes-Benz Cars and Mercedes-Benz Vans and the Supervisory Board’s resolution on several measures subject to its approval. Further topics in the meeting included remuneration, corporate governance issues and the ongoing regulatory and civil law proceedings in relation to diesel emissions. In addition, the Supervisory Board was briefed on the status of antitrust matters.

Work in the Committees

The Supervisory Board has set up five committees: These are the Presidential Committee, the Audit Committee, the Legal Affairs Committee, the Nomination Committee and the Mediation Committee. The chairs of the various committees provided the plenary meetings of the Supervisory Board with detailed reports on the work in the committees. You can find detailed information on the tasks of the committees of the Supervisory Board in the Declaration on Corporate Governance.

The **Presidential Committee** held four meetings in the past financial year. All meetings were held in person, with the option to take part virtually or by telephone. In particular, the Committee discussed personnel matters and succession planning for appointments to the Board of Management. Furthermore, the Presidential Committee discussed the acceptance by members of the Board of Management of board positions at other companies and institutions, corporate governance issues, D&O insurance and remuneration issues.

The **Audit Committee** held six meetings in 2025. All meetings were held in person, with the option of participation in virtual form or via telephone. The Chairman of the Supervisory Board attended all meetings as a permanent guest. Other permanent participants, in compliance with the statutory requirements, were the Chairman of the Board of Management, the members of the Board of Management responsible for Finance and Controlling and for Integrity, Governance & Sustainability, and the representatives of the auditor. The heads of specialist departments such as Accounting, Corporate Audit, Compliance and Legal also provided information on individual items on the agenda. Regular executive sessions also took place with the auditor without the presence of the Board of Management. The Audit Committee audited and discussed the Annual Financial Statements, the Consolidated Financial Statements and the Combined Management Report, including the Sustainability Statement for the 2024 financial year for Mercedes-Benz Group AG and the Group, each



of which had been issued with an unqualified audit opinion by the auditor, as well as the Remuneration Report, the Declaration on Corporate Governance, and the proposal for the appropriation of profits. Furthermore, in the reporting period, the committee dealt in detail with the interim financial reports for the first and third quarter of 2025 and the half-year financial report 2025 as well as the results of the auditor's review. Furthermore, the committee received the reports from the units Corporate Audit, Compliance and Legal. The reports from Corporate Audit included reviews and findings related to ESG (Environmental, Social, Governance) and the reports from Legal covered the current status of important legal proceedings, including antitrust proceedings as well as proceedings in relation to diesel emissions. In addition, the Audit Committee received regular reports on possible violations of rules, which employees and external parties had reported to the BPO (Business & People Protection Office) whistle-blowing system. The Audit Committee dealt with general issues of accounting, financial reporting and non-financial reporting. In particular, attention was drawn to the fact that the law implementing Directive (EU) 2022/2464 on corporate sustainability reporting has still not been enacted, and the status of the materiality assessment and the resulting material impacts, risks and opportunities (so-called IROS) was also dealt with. Taking into account

Audit Quality Indicators, the Audit Committee reviewed the quality, qualification and the independence of the auditor. Moreover, the committee discussed the appropriateness, effectiveness and the functionality of the risk management system, the internal review system as well as the compliance management system (including sustainability-related aspects). After the Annual General Meeting appointed the auditor, the Audit Committee engaged the auditor to conduct the annual audit and the auditor's review of the interim financial reports for the 2025 financial year. In addition, the Audit Committee agreed on the important audit issues and negotiated the audit fees with the auditor. The Audit Committee also engaged the auditor to conduct the audit of the Sustainability Statement as part of the management report. Furthermore, the committee dealt with the management of currency, energy and raw material risks and received the reports from the Head of Taxes, the Data Protection Officer for the Group as well as Human Rights Officer. During the reporting period, the Audit Committee carried out a self-evaluation of its activities, on the basis of an extensive company-specific questionnaire. The positive results of this self-evaluation were presented and discussed in the meeting on 11 February 2026. There was basically no need for any changes evident. Individual ideas and suggestions were discussed.

The **Legal Affairs Committee** held three meetings in the 2025. Three meetings were held in person, with the option of participation in virtual form or via telephone and one meeting was held as video conference. In those meetings, the Committee was informed in detail about legal matters relating to emissions and antitrust issues and discussed these matters in the presence of the legal advisors of the Supervisory Board. It discussed the continuing further development of the technical Compliance Management System, also with respect to future technologies.

As part of the settlement reached with the US authorities in connection with diesel emissions, the Committee was assigned specific tasks and decision-making competences with regard to the fulfilment of the obligations assumed in the settlement. The Committee also fulfilled these tasks in full and with great care.

In relation to the antitrust matters, the Committee dealt with the status of antitrust issues and the progress of the investigation into possible responsibilities in this context.



The **Nomination Committee** held three meetings in the 2025 financial year, all of which were held as video conferences. The Committee specifically considered the recommendations for the proposals of the Supervisory Board to the Annual General Meeting 2026 regarding the election of shareholder representatives to the Supervisory Board. In this context, it was guided by the interests of the company, taking all circumstances of the individual case into account, and striving to fulfil the overall profile of requirements, along with the diversity concept and competence profile for the entire Supervisory Board.

During the reporting period, there was no reason to convene the **Mediation Committee**.

Corporate governance and declaration of compliance

During the 2025 financial year, the Supervisory Board continuously addressed the standards of good corporate governance.

This year, too, as part of on-going investor dialogues, talks were held in November and December 2025 with investors and shareholder associations on Supervisory Board-specific topics such as Board of Management remuneration and the work and composition of the Supervisory Board and its committees.

Open communication and constructive dialogue between the Supervisory Board and the Board of Management were also maintained this year.

In December 2025, the Supervisory Board adopted the regular 2025 declaration of compliance. With the exceptions explained there, all recommendations of the Code have been and are being complied with.

In the interests of good corporate governance, the members of the Supervisory Board of Mercedes-Benz Group AG are required to disclose to the Supervisory Board as a whole any conflicts of interest, in particular those that could arise as a result of an advisory or board function with customers, suppliers or lenders of Mercedes-Benz Group AG or other third parties.

There were no indications of actual conflicts of interest during the 2025 financial year.

The Supervisory Board regularly assesses how effectively the Supervisory Board and its committees perform their duties. In 2023, a comprehensive self-assessment of the Supervisory Board and its committees in which the Board of Management's perspective was also incorporated took place with the involvement of an external consultant on the basis of an extensive questionnaire and additional interviews carried out. The Board of Management's perspective was also included in this assessment. An audit involving an external consultant is planned again for the coming reporting year.

The Audit Committee also conducted a self-evaluation of its activities on the basis of a comprehensive company-specific questionnaire. The positive results of this self-evaluation were presented and discussed in the Audit Committee's meeting held on 11 February 2026.

For supervisory boards of listed companies subject to codetermination and equal representation of shareholders and employees on the supervisory board, such as that of Mercedes-Benz Group AG, the German Stock Corporation Act (AktG) prescribes a mandatory gender quota of at least 30% women and 30% men. The quota is to be met by the Supervisory Board as a whole. If, before the election, the shareholders' or employees' representatives object to the overall fulfilment to the Chair of the Supervisory Board, the minimum share for this election must be fulfilled separately by the shareholder side and the employee side. In view of the election of shareholder representatives by the Annual General Meeting on 7 May 2025, no objection was raised to the overall fulfilment.

As of 31 December 2025, women make up 40% of the shareholder side of the Supervisory Board of Mercedes-Benz Group AG with Liz Centoni, Dame Polly Courtice, Dr Doris Höpke and Professor Dr Helene Svahn, while the remaining 60% are men. On the employee side, currently Nadine Boguslawski, Gabriela Neher-Merkel, Pia Simon, Monika Tielsch and Barbara Resch make up 50% women and the remaining 50% are men. Thus, the Supervisory Board as a whole also currently fulfils the statutory quota.

Corporate governance at the Mercedes-Benz Group is explained in detail in the Declaration on Corporate Governance.



Changes in the Supervisory Board and the Board of Management

The Supervisory Board appointed Mathias Geisen to the Board of Management of Mercedes-Benz Group AG as of 1 February 2025, for a period of three years. As of 1 March 2025, he took over responsibility for the “Sales & Customer” division from Britta Seeger. As of 1 May 2025, Britta Seeger took over responsibility for the “Human Relations & Labour Director” division from Sabine Kohleisen, who stepped down from the Board of Management on 30 April 2025. The Supervisory Board appointed Oliver Thöne as member of the Board of Management of Mercedes-Benz Group AG, effective as of 1 February 2025, for a term of three years. He succeeded Hubertus Troska, who stepped down from the Board of Management as of 31 July 2025, in his responsibility for the “Greater China” division.

The Supervisory Board appointed Olaf Schick as a member of the Board of Management of Mercedes-Benz Group AG, effective as of 1 October 2025, for a term of three years. As of 1 November 2025, he took over responsibility for the “Integrity, Governance & Sustainability” division from Renata Jungo Brüngger, who stepped down from the Board of Management on 31 October 2025.

At the Supervisory Board Meeting on 24 September 2025, the Supervisory Board decided on further changes to the Board of Management: As of 1 December 2025, Dr Jörg Burzer assumed responsibility for the

“Chief Technology Officer, Development & Procurement” division from Markus Schäfer, who stepped down from the Board of Management on 30 November 2025.

In addition, the Supervisory Board appointed Michael Schiebe as a member of the Board of Management of Mercedes-Benz Group AG, effective as of 1 December 2025, for a term of three years. He assumed responsibility for the “Production, Quality & Supply Chain Management” division from Dr Jörg Burzer.

The Supervisory Board would like to thank the highly esteemed colleagues Sabine Kohleisen, Renata Jungo Brüngger, Hubertus Troska and Markus Schäfer who stepped down from the Board of Management during the 2025 financial year for their services to the company.

At the Supervisory Board Meeting on 19 February 2025, based on a corresponding recommendation from the Nomination Committee, the shareholder representatives decided to propose to the 2025 Annual General Meeting to re-elect Ben van Beurden, Liz Centoni, Timotheus Höttges, Olaf Koch and Professor Dr Helene Svahn to the Supervisory Board. All those named were re-elected at the Annual General Meeting held on 7 May 2025. Furthermore, at the Supervisory Board Meeting on 12 December 2025, based on a corresponding recommendation from the Nomination Committee, the shareholder representatives decided to propose to the 2026 Annual General Meeting to re-elect Marco Gobbetti to the Supervisory Board and to propose two new candidates, Katharina Beumelburg and Rashmi Misra, for election.

Audit of the individual company and Consolidated Financial Statements

The Annual Financial Statements of Mercedes-Benz Group AG as well as the Consolidated Financial Statements and the 2025 Combined Management Report for Mercedes-Benz Group AG and the Group have been duly audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, and issued with an unqualified audit opinion. In addition, the Sustainability Statement was subject to a voluntary business audit to obtain limited assurance, whereby individual items were audited with reasonable assurance. The audit was provided with a corresponding audit opinion.

In a meeting of the Supervisory Board held on 11 February 2026, the preliminary key figures of the 2025 Annual and Consolidated Financial Statements, the Combined Management Report including the 2025 Sustainability Statement as well as the preliminary proposal to the 2026 Annual General Meeting for the appropriation of profits were discussed and noted with approval in the presence of representatives of the auditor. The Supervisory Board determined that there were no objections to their publication. The preliminary key figures for the 2025 financial year and the preliminary proposal for the appropriation of profits were published at the annual press conference on 12 February 2026.



In the meeting held on 3 March 2026, the Supervisory Board discussed the Annual Financial Statements, the Consolidated Financial Statements and the Combined Management Report, including the Sustainability Statement for Mercedes-Benz Group AG and the Group as well as the Report of the Supervisory Board, the Declaration on Corporate Governance, the Remuneration report, the proposal for the appropriation of profits and issues relating to the Board of Management's remuneration.

The members of the Supervisory Board were provided with extensive documentation for their preparation, including the Annual Report with the Consolidated Financial Statements compiled in accordance with IFRS, the Combined Management Report including the Sustainability Statement for Mercedes-Benz Group AG and the Group, as well as the Declaration on Corporate Governance, the Remuneration report, the Annual Financial Statements of Mercedes-Benz Group AG, the proposal of the Board of Management for the appropriation of profits, the audit opinions of Pricewaterhouse-Coopers GmbH Wirtschaftsprüfungsgesellschaft for the Annual Financial Statements of Mercedes-Benz Group AG and the Consolidated Financial Statements, in each case including the Combined Management Report, the note on the voluntary audit of the Sustainability Statement, the note on the voluntary audit of the remuneration Report, as well as the Report of the Supervisory Board.

The Audit Committee and the Supervisory Board reviewed these documents in detail and discussed them intensively in the presence of the auditors, who reported on the results of their audit and, in particular, addressed the key audit matters and the relevant audit procedures, including the conclusions drawn, and were available for additional questions and information.

Following the final result of the review by the Audit Committee and its own review, the Supervisory Board concurred with the result of the audit by the auditor. It determined that there were no objections to be raised and adopted the financial statements, which had been prepared by the Board of Management and issued with an unqualified audit opinion by the auditor, along with the Combined Management Report, including the Sustainability Statement, which had been issued with an auditor's opinion. The 2025 Annual Financial Statements of Mercedes-Benz Group AG were thus adopted. On this basis, the Supervisory Board endorsed the proposal of the Board of Management for the appropriation of distributable profits. The Supervisory Board also adopted the Report of the Supervisory Board, the Declaration on Corporate Governance and the Remuneration report, which had been issued with an auditor's opinion, as well as its proposed resolutions for the agenda items for the 2026 Annual General Meeting.

Appreciation

The Supervisory Board would like to thank the Board of Management members and all employees of the Mercedes-Benz Group for their dedicated contribution to the results of the 2025 financial year.

Stuttgart, March 2026

For the Supervisory Board

Dr Martin Bruder Müller
Chairman

Individualized disclosure of attendance at meetings by members of the Supervisory Board of Mercedes-Benz Group AG in the 2025 financial year

	Plenary Supervisory Board		Presidential Committee		Audit Committee		Nomination Committee		Legal Affairs Committee	
	Participation in meetings	Participation rate (in %)	Participation in meetings	Participation rate (in %)	Participation in meetings	Participation rate (in %)	Participation in meetings	Participation rate (in %)	Participation in meetings	Participation rate (in %)
Dr Martin Bruder Müller ¹	7/7	100	4/4	100			3/3	100		
Michael Bettag	7/7	100								
Ben van Beurden	7/7	100	4/4	100			3/3	100		
Nadine Boguslawski	7/7	100								
Liz Centoni ²	4/7	57					3/3	100		
Dame Veronica Anne ("Polly") Courtice	7/7	100							3/3	100
Sebastian Fay	7/7	100			6/6	100			3/3	100
Marco Gobetti	6/7	86								
Michael Häberle	7/7	100							3/3	100
Dr Doris Höpke	6/7	86							3/3	100
Timotheus Höttges	6/7	86			4/6	67				
Olaf Koch ²	7/7	100			6/6	100			3/3	100
Ergun Lümali	7/7	100	4/4	100	6/6	100			3/3	100
Gabriela Neher-Merkel	7/7	100								
Michael Peters	7/7	100								
Stefan Pierer	7/7	100								
Barbara Resch (since 1 January 2025)	5/7	71	3/4	75						
Pia Simon	7/7	100								
Professor Dr Helene Svahn	7/7	100								
Monika Tielsch	7/7	100								

¹ Chairman of the Presidential Committee and the Nomination Committee.

² Chairman of the Audit Committee and the Legal Affairs Committee.



The Supervisory Board

Dr Martin Bruder Müller

Chairman of the Supervisory Board
of Mercedes-Benz Group AG
Elected until 2028

Ergun Lümalı*

Deputy Chairman of the Supervisory Board
of Mercedes-Benz Group AG;
Chairman of the Group Works Council
of Mercedes-Benz Group AG;
Chairman of the General Works Council
of Mercedes-Benz Group AG;
Chairman of the Works Council
of Mercedes-Benz Sindelfingen Plant
Elected until 2028

Michael Bettag*

Chairman of the Works Council of the Mercedes-Benz
Nuremberg Own Retail Branch
Elected until 2028

Ben van Beurden

Former Chief Executive Officer Shell plc
Elected until 2029

Nadine Boguslawski*

Head Treasurer of IG Metall
Elected until 2028

Liz Centoni

Executive Vice President and
Chief Customer Experience Officer,
Cisco, Inc.
Elected until 2029

Dame Veronica Anne (“Polly”) Courtice

Former Director of the University of Cambridge
Institute for Sustainability Leadership
Elected until 2026

Sebastian Fay*

Head of Collective Bargaining Policy and Craft Trades
at IG Metall Headquarter Frankfurt
Appointed until 2028

Marco Gobbetti

Executive Administrator of Aeffe S.p.A.
Elected until 2026

Michael Häberle*

Deputy Chairman of the Group Works Council
of Mercedes-Benz Group AG;
Deputy Chairman of the General Works Council
of Mercedes-Benz Group AG;
Chairman of the Works Council
at the Mercedes-Benz Untertürkheim Plant
Elected until 2028

Dr Doris Höpke

C-Suite/Senior Advisor and Mediator (independent
and partnering with Reckhenrich Advisors)
Elected until 2028

Timotheus Höttges

Chairman of the Board of Management
of Deutsche Telekom AG
Elected until 2029

Olaf Koch

Partner and Managing Director of Zintinus GmbH
Elected until 2029

Gabriela Neher-Merkel*

Member of the Works Council at the
Mercedes-Benz Rastatt Plant
Elected until 2028

* Employee representatives



Michael Peters*

Chairman of the Works Council of
Mercedes-Benz Bremen Plant
Elected until 2028

Stefan Pierer

Chairman of the Board of Management of
Pierer Industrie AG
Elected until 2027

Barbara Resch*

IG Metall District Manager Baden-Württemberg
(since 1 January 2025)
Appointed until 2028

Pia Simon*

Director Corporate Audit - Process Audits;
Chairwoman of the Management Representatives
Committee, Mercedes-Benz Group
Elected until 2028

Professor Dr Helene Svahn

Professor in Nanobiotechnology at the
Royal Institute of Technology, Sweden
Elected until 2026

Monika Tielsch*

Member of the Works Council at the
Mercedes-Benz Sindelfingen Plant (RD)
Elected until 2028

* Employee representatives

[Further information on the members of the Supervisory Board of Mercedes-Benz Group AG](#)



The all-new Mercedes-Benz GLC with EQ Technology

GLC 400 4MATIC with EQ Technology | Energy consumption (combined): 15.8 kWh/100km, total CO₂-emissions (combined): 0.0 g/km, CO₂-class (combined): A



COMBINED MANAGEMENT REPORT

22 Corporate Profile

- 22 Business model
- 31 Important events
- 35 Objectives and strategies
- 43 Performance measurement system
- 45 Declaration on Corporate Governance

46 Economic Conditions and Business Development

- 46 The world economy and automotive markets
- 48 Business development

51 Profitability, Cash Flows and Financial Position

- 52 Profitability
- 57 Cash Flows, Liquidity and Capital Resources
- 65 Financial Position
- 70 Investment and Research activities
- 71 Net assets and Value added

74 Overall Assessment of the Financial Year**76 Takeover-Relevant Information and Explanation****81 Outlook**

- 82 The world economy and automotive markets
- 83 Outlook for the key performance indicators
- 85 Dividend
- 85 Overall statement on future development

86 Risk and Opportunity Report

- 86 Risk and opportunity management system and internal control system
- 91 Risks and opportunities
- 102 Overall assessment of the risk and opportunity situation

103 Mercedes-Benz Group AG (Condensed version in accordance with the German Commercial Code)**106 Sustainability Statement**

- 106 General information
- 125 Environmental information
- 179 Social information
- 205 Governance information
- 214 Index of disclosure requirements
- 223 Combined Non-Financial Declaration of the Mercedes-Benz Group and Mercedes-Benz Group AG



Corporate Profile

Business model¹

Overview

The Mercedes-Benz Group can look back on a tradition that goes back to the inventors of the automobile – Gottlieb Daimler and Carl Benz – and features pioneering achievements in automotive engineering. The Group is one of the most successful automobile companies in the world and one of the largest providers of high-end cars and premium vans. Financing, leasing, vehicle subscriptions and rentals, fleet management, digital services related to charging electric vehicles, and insurance services round off the range of services.

The comprehensive “Next Level Performance” programme, which consists of several work packages, was launched in 2024 to sustainably strengthen the company’s resilience in a continuing challenging market environment. One target is to leverage a strong product portfolio to further enhance global market penetration and increase revenue quality. Another is to sustainably reduce costs and investments and continue

streamlining structures and processes. In addition, an initiative was launched to further embed the drive for excellence (“Winning Attitude”) in the corporate culture of the Mercedes-Benz Group. In addition, the programme aims to create a consistent and, above all, outstanding customer experience.

To ensure an even more consistent customer approach in the future and to further strengthen the “one face to the customer” principle, the global sales and financial services processes were more closely integrated from 1 January 2026. In this context, Mercedes-Benz Mobility AG was merged into Mercedes-Benz AG with retro-active effect from 1 October 2025.

This has no impact on the segment reporting. The Mercedes-Benz Group’s operating business continues to be conducted unchanged in the divisions and segments Mercedes-Benz Cars, Mercedes-Benz Vans, and Mercedes-Benz Financial Services. The merger of Mercedes-Benz Mobility AG into Mercedes-Benz AG was accompanied by the renaming of the Mercedes-Benz Mobility division to Mercedes-Benz Financial Services. In this management report, the term Mercedes-Benz Financial Services is used consistently for this division or segment.

In the reconciliation of the divisions to the Group (reconciliation), investments not allocated to the divisions and gains and/or losses at the corporate level are shown. In addition, the reconciliation includes effects from the elimination of intercompany transactions between the segments.

Mercedes-Benz Group AG is the parent company of the Mercedes-Benz Group and has its headquarters in Stuttgart. Along with Mercedes-Benz Group AG, the Mercedes-Benz Group comprises all subsidiaries over which Mercedes-Benz Group AG can exercise a controlling influence either directly or indirectly. Detailed information on this topic can be found under the Note [“Information on investments”](#) pursuant to Section 313 of the German Commercial Code (HGB) in the chapter “Notes to the Consolidated Financial Statements” in the Consolidated Financial Statements.





¹ This chapter contains disclosure requirements related to the European Sustainability Reporting Standards (ESRS) with respect to strategy, business model and value chain.



Mercedes-Benz Group AG determines the Group strategy, manages its operations and, as the Group parent company, sets uniform standards and guidelines across the Group through its legal, regulatory, and compliance-related functions.

The management reports for Mercedes-Benz Group AG and for the Group are combined within this annual report.

The following graphic provides an overview of the Group and its brands.

Mercedes-Benz Group			
Revenue¹ €132,214 million			
Employees² 164,120			
	Mercedes-Benz Cars	Mercedes-Benz Vans	Mercedes-Benz Financial Services
Revenue¹	€96,407 million	€17,148 million	€24,625 million
Employees²	131,895	16,728	8,794
Brands³	 Mercedes-Benz  MAYBACH	 Mercedes-Benz	Mercedes-Benz Financial Services Mercedes-Benz Bank 

¹ Revenue for the year 2025.

² As of 31 December 2025.

³ At the end of December 2025, the Board of Management of Mercedes-Benz Group AG decided to sell the Athlon Group companies. Further Information on this can be found in the chapter "Important events" and in the Consolidated Financial Statements in the "Notes to the Consolidated Financial Statements" under the Note "Consolidated Group".

The Mercedes-Benz Group’s value chain provides an overview of the Group’s own business activities as well as the upstream and downstream value chain.

The Mercedes-Benz Group utilizes a wide range of tangible and intangible resources. Employees play a crucial role across the entire value chain. The most important intangible resources are the brand Mercedes-Benz, the supplier network, and the innovation potential. As one of the world’s most prestigious and valuable brands¹, Mercedes-Benz enjoys a very high level of global recognition. The global supplier network is intended to ensure the Group’s access to external technology and is a cornerstone of an efficient production process. The Group’s high innovative potential forms the basis for the development of high-end products for its customers. New standards are regularly set in vehicle technology, vehicle design, new drive concepts, and platforms. The development of high safety standards for all vehicles is an integral part of the innovation processes.

Value Chain of the Mercedes-Benz Group



¹ Study by the US brand consulting company Interbrand in October 2025.

The Group is continuously developing its global production network. To this end, production is being designed to be as flexible as possible with regard to drive systems. Furthermore, the Mercedes-Benz Group uses synergies between new and existing model series for the further development of its product portfolio. The “Global Production Network Mercedes-Benz Group” graphic shows the production sites around the world as of 31 December 2025.

A key focus area of the Mercedes-Benz Group is decarbonization, which is being driven forward through the comprehensive use of recycled materials, the use of renewable energies in production, and the integration of renewable energy sources for charging vehicles.

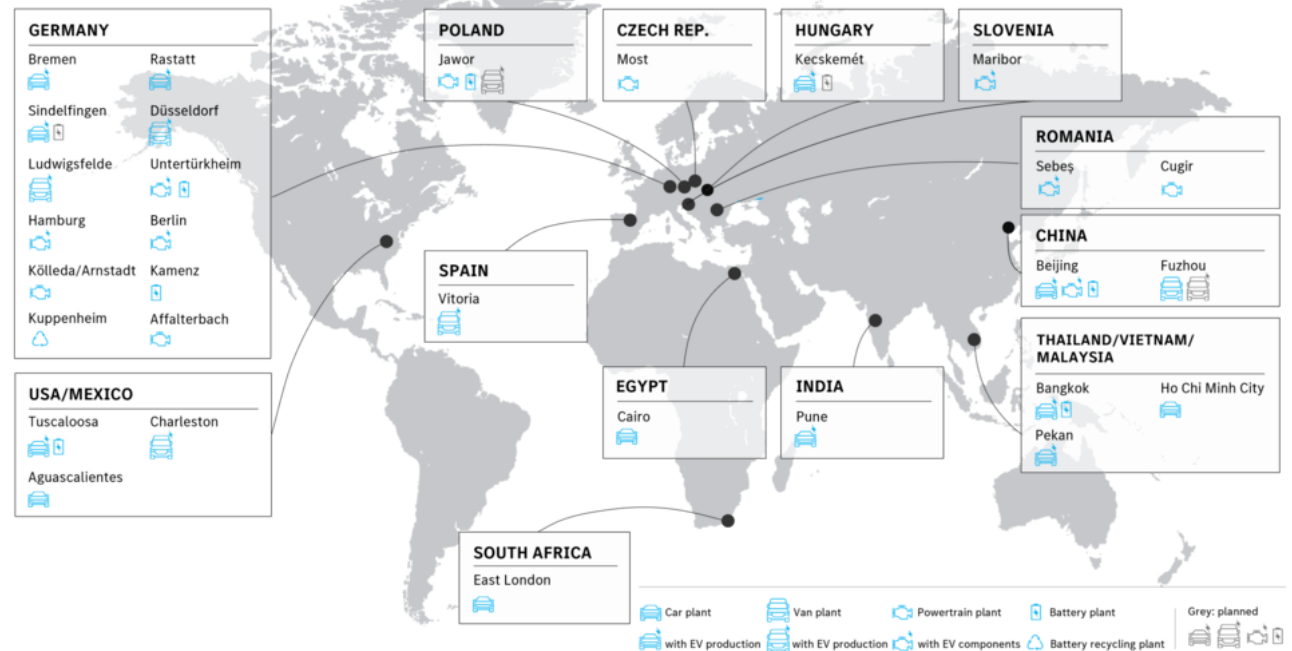
The Mercedes-Benz Group sells vehicles and services in almost every country in the world and has around 30 production facilities in Europe, America, Asia and Africa.

The Mercedes-Benz Group manages its sales through direct sales channels and online platforms. Simultaneously, vehicles are sold through a network of authorized dealers, agents, and service partners. This should enable a high-quality brand experience and comprehensive customer support before, during and after the purchase.

Under the title “Sales of the Future”, sales activities in many countries are being converted to direct sales via agents. By 31 December 2025, more than 50% of European passenger car unit sales and 45% of European van unit sales – including Germany – had switched to the new model.

In the coming years, direct sales will be gradually introduced in other countries outside of Europe. As of the reporting date, twelve markets worldwide have been converted – Germany, Austria, the UK, Sweden, Mexico, South Africa, Turkey, Malaysia, India, Australia, New Zealand, and Thailand.

Global Production Network Mercedes-Benz Group¹



¹ Including non-consolidated subsidiaries, associated companies, joint ventures and joint operations.



Mercedes-Benz Cars

Mercedes-Benz Cars seeks to produce the most desirable vehicles in the world. Mercedes-Benz Cars offers a broad range of products that are spread out among the three product categories of Top-End, Core and Entry. The Top-End¹ portfolio includes all S-Class models, the Mercedes-AMG and Mercedes-Maybach brands, as well as the G-Class product brand. Core represents the heart of the brand and comprises the Mercedes-Benz E-Class and C-Class model ranges and their derivatives. The Entry models of the B-Class and A-Class and their derivatives offer customers a point of entry into the compact vehicle portfolio.

When looking at the unit sales by classes in the chapter “[Business development](#)” under “Economic conditions and business development”, the S-Class models include the S-Class, GLS, EQS and EQS SUV. For the E-Class models, all derivatives of the E-Class are considered, including the GLE, GLE Coupé, EQE, and EQE SUV. The C-Class models include all derivatives of the C-Class, including the GLC and GLC Coupé. For the B-Class models, the B-Class is grouped together with the GLB and EQB. The A-Class models include the A-Class, as well as the CLA, GLA and EQA. When considering the classes, the existing AMG derivatives and the Maybach variants of the models are added to the unit sales of the class. The overview on the following page presents the Mercedes-Benz Cars product portfolio.

Mercedes-Benz Cars aims to continuously drive technological progress and ensure that all future models – regardless of the type of powertrain – always incorporate the latest innovations. The product and technology offensive of Mercedes-Benz Cars began with the CLA, unveiled in 2025: this Entry model marks the start of a new generation of vehicles and is intended to set standards in terms of range, efficiency and charging speed.

The production sites of Mercedes-Benz Cars can be found in the graphic “[Global Production Network Mercedes-Benz Group](#)”. Production operations in China are carried out by the associated company Beijing Benz Automotive Co., Ltd. (BBAC).



¹ The Top-End category comprises all AMG models, including the AMG models of the various class model ranges and their derivatives in the Core and Entry categories.

Mercedes-Benz Cars product portfolio as of 31 December 2025

Top-End								
	S-Class	S-Class long	S-Class Maybach	GLS	GLS Maybach	EQS	EQS SUV	EQS SUV Maybach
								
	GT Coupé	SL	SL Maybach					
Core								
	G-Class	G-Class with EQ Technology						
								
E-Class	E-Class Estate	GLE	GLE Coupé	EQE	EQE SUV			
								
C-Class	C-Class Estate	CLE Convertible	CLE Coupé	GLC	GLC with EQ Technology	GLC Coupé		
Entry								
	GLB¹	GLB with EQ Technology						
								
A-Class	CLA	CLA with EQ Technology	CLA Shooting Brake¹	CLA Shooting Brake with EQ Technology	GLA	EQA		

1 Vehicles that have already been presented but are not yet available to order as of 31 December 2025.



Mercedes-Benz Vans

Mercedes-Benz Vans is a global manufacturer of a comprehensive van portfolio. The models offered for commercial customers include the large van Sprinter, the mid-size van Vito and the small van Citan. In the private customer segment, Mercedes-Benz Vans is represented in the mid-size van segment with the multi-purpose vehicle (MPV) V-Class and the Marco Polo family, as well as in the small van segment with the T-Class.

The small vans are offered in Europe (European Union, the UK, Switzerland and Norway), the mid-size vans are offered in Europe and China and the large vans are sold in Europe and the United States. Vans are offered in specific segments in other markets.

Mercedes-Benz Vans also offers an all-electric version of each model – the eSprinter, the eVito and the eCitan in the commercial van segment. In addition, the MPV EQV and the EQT (energy consumption combined: 20.9–19.3 kWh/100 km | CO₂ emissions combined: 0 g/km | CO₂ class: A) are available for the private segment. Starting in 2026, the Mercedes-Benz VLE will be the first model launched on the newly developed, modular and scalable Van Architecture – and thus mark the launch of a new vehicle generation in the segment of privately positioned MPVs. The commercial vans based on the new Van Architecture will follow at a later date.

The production sites of Mercedes-Benz Vans can be found in the graphic [“Global Production Network Mercedes-Benz Group”](#).

Since the sale of the production facility in Argentina in 2025, the current Sprinter model is being produced there by Prestige Auto under a license. Further information on this topic can be found in the chapter [“Important events”](#). The production of large commercial vans at the Jawor plant in Poland is planned for the future. Production in China is managed via the joint venture Fujian Benz Automotive Co., Ltd. (FBAC). The Citan and T-Class with their respective electric variants are produced in France through an alliance with Renault-Nissan-Mitsubishi.



Mercedes-Benz Vans product portfolio as of 31 December 2025

Commercial Vans



Sprinter Panel Van



Sprinter Tourer



Sprinter Chassis Cab



eSprinter Panel Van



eSprinter Chassis



eSprinter Chassis Cab



Vito Panel Van



Vito Tourer



eVito Panel Van



eVito Tourer



Citan Panel Van



Citan Tourer



eCitan Panel Van



eCitan Tourer

Private Vans



V-Class



V-Class Marco Polo



EQV



T-Class



EQT



Mercedes-Benz Financial Services

The Mercedes-Benz Financial Services business unit supports the unit sales of the Mercedes-Benz Group's automotive business units worldwide with tailored financial services.

Mercedes-Benz Financial Services offers individual, customer-tailored service in 34 markets. The services offered include leasing and financing agreements for private customers, commercial customers and dealers. In addition, the offering includes insurance services as well as flexible subscription and rental models.

Furthermore, activities related to charging electric vehicles are consolidated at Mercedes-Benz Financial Services. The company's own charging service, MB.CHARGE Public, provides easy and convenient access to more than 2.9 million public charging points worldwide.





Important events

Uncertain macroeconomic and political conditions

The year 2025 was characterized by uncertain macroeconomic and political conditions for the global economy and the automotive industry. In particular, United States tariff policy posed a significant challenge and negatively impacted the Group's results. Significant uncertainties regarding the current geopolitical and trade policy conditions, as well as potential unexpected macroeconomic and political developments, will also persist in 2026.

The Mercedes-Benz Group continuously monitors both the direct impacts of tariffs to be paid and tariff compensation payments as well as the indirect impacts of changing market conditions and possible changes in customer behaviour, assesses conceivable scenarios, and evaluates or initiates appropriate countermeasures.

Further information can be found in the [“Outlook”](#) and in the Consolidated Financial Statements in the [“Notes to the Consolidated Financial Statements”](#) under the Note [“Accounting estimates and management judgements”](#).

Extension of job security guarantee until 2035 and measures to reduce personnel costs in Germany

As part of the “Next Level Performance” programme, costs are to be sustainably reduced in the coming years, among other things. In this context, in the fourth quarter of 2024, the management of Mercedes-Benz Group AG had begun discussions with the General Works Council on measures to reduce personnel costs with the goal of sustainably improving the company's competitiveness and thus enabling the extension of the job security guarantee by a further five years until 31 December 2034. At the beginning of March 2025, the management and the General Works Council agreed on a key points paper that includes measures to reduce personnel costs in Germany. Furthermore, a workforce reduction adjustment programme for employees in indirect areas in Germany was decided upon, which is based on double voluntary action on the part of both employees and Company. The programme was launched in April 2025 and is scheduled to run until 31 March 2026. In defined individual cases, the existing severance pay conditions will apply until the end of 2026.

Further information can be found in the chapter [“Profitability, Cash Flows and Financial Position”](#) and in the Consolidated Financial Statements in the [“Notes to the Consolidated Financial Statements”](#) under the Note [“Functional costs”](#) as well as in the Sustainability Statement under [“Working conditions”](#) in the chapter [“Own Workforce”](#).

Presentation of strategic direction at the Capital Market Day 2025

At the Capital Market Day in February 2025, the Mercedes-Benz Group presented the company's strategic direction for the coming years. The focus was on the financial strategy, the planned product and technology initiative, and comprehensive actions to increase efficiency and optimize costs.

Review of the future structure of Own Retail in Germany

In 2024, the Mercedes-Benz Group announced a comprehensive review of the future structure of the Group's Own Retail operations in Germany and held initial discussions with potential buyers.

In 2025, the Mercedes-Benz Group signed contracts for the sale of Own Retail operations in Koblenz, Neu-Ulm, Mainz, Dortmund, and Lübeck. The transactions related to the Own Retail operations in Koblenz, Neu-Ulm, and Mainz were completed in 2025. The transactions for the Own Retail operations in Dortmund and Lübeck are expected to be completed during 2026. Further information on this can be found in the Consolidated Financial Statements in the [“Notes to the Consolidated Financial Statements”](#) under the Note [“Consolidated Group”](#) and under the Note [“Events after the reporting period”](#).



Furthermore, the group will review further transactions without any fixed expectations regarding the outcome, step by step and individually for each location, and expects the transformation process to extend over several years.

Sale of production and sales capacities in Argentina

In February 2025, the Board of Management of Mercedes-Benz Group AG resolved to sell the production and sales capacities in Argentina. Effective 17 June 2025, the subsidiary Mercedes-Benz Argentina S.A.U. was sold to the Argentine investor Open Cars S.A., Buenos Aires, Argentina. In the course of this transaction, Mercedes-Benz Argentina S.A.U. was renamed Prestige Auto S.A.U. (Prestige Auto).

As a licensee, Prestige Auto will continue to produce and distribute Mercedes-Benz Sprinter vans for the local and regional market. These vehicles will continue to be part of the Mercedes-Benz Group's unit sales.

Further information can be found in the Consolidated Financial Statements in the "Notes to the Consolidated Financial Statements" under the Note "[Consolidated Group](#)".

Launch of the product offensive with the new CLA

On 13 March 2025, the all-electric CLA was unveiled, featuring low consumption, a long range, and very fast charging. The new CLA is the first vehicle to be based on the Mercedes-Benz Operating System (MB.OS), which was developed in house. The new CLA is intended to underpin the company's claim to leadership in electromobility and vehicle software. Based on these attributes, the CLA took first place in the "Car of the Year"¹ competition in January 2026 and was also awarded the title of safest vehicle of all models tested in the Euro NCAP test in 2025².

The first all-electric CLA models were delivered to customers in Europe in the third quarter of 2025. Later in the year, additional markets and further model variants followed.

Reaffirming commitment to sustainability

At the 2025 Sustainability Update on 28 March 2025, the Mercedes-Benz Group reported on progress in the six focus areas for implementing the sustainable transformation and further embedding sustainability in its operations. In particular, the Board of Management provided information on further developments related to decarbonization, resource utilization and the circular economy for sustainable production.

Annual General Meeting of Mercedes-Benz Group AG

The Annual General Meeting of Mercedes-Benz Group AG took place on 7 May 2025. Chairman of the Board of Management Ola Källenius and Chairman of the Supervisory Board Dr Martin Brudermüller presented the results for the 2024 financial year and outlined the Group's strategic outlook. Shareholders approved the proposed dividend of €4.30 per share and approved a new authorization for the company to acquire treasury shares up to a maximum of 10% of the share capital until 6 May 2030.

Information on the share buyback programme launched in November 2025 on the basis of this authorization can be found in the Consolidated Financial Statements in the "Notes to the Consolidated Financial Statements" under the Note "[Equity](#)".

Strengthening the Mercedes-Benz Group's US presence

On 23 May 2025, Mercedes-Benz Group AG announced plans to consolidate key corporate functions of its US companies in Atlanta, Georgia, and to invest in a new research and development centre in Atlanta.

¹ The title "Car of the Year" is awarded annually by the Car of the Year Organisation, an independent jury of European automotive journalists.

² Euro NCAP (European New Car Assessment programmes) is a European assessment programme that evaluates the safety of new vehicles using standardized crash tests and the testing of safety assistance systems.

**Continuation of the product offensive at IAA**

At IAA MOBILITY 2025, which took place in Munich from 9 to 14 September 2025, the all-electric GLC 400 4MATIC, the electric CLA Shooting Brake, and a prototype of the all-electric VLE were presented. Also on display was the CONCEPT AMG GT XX concept vehicle, which was unveiled in Affalterbach in June 2025 and offers a preview of the technology programme of future series-production models based on the new AMG.EA vehicle architecture.

Changes in the Board of Management of Mercedes-Benz Group AG

On 24 September 2025, the Supervisory Board of Mercedes-Benz Group AG resolved that Dr Jörg Burzer should assume responsibility for the “Chief Technology Officer (CTO), Development & Procurement” division from Markus Schäfer effective 1 December 2025. Markus Schäfer left the board on 30 November 2025. The Supervisory Board also resolved to appoint Michael Schiebe to the Board of Management as Dr Jörg Burzer’s successor for “Production, Quality & Supply Chain Management” effective 1 December 2025.

Olaf Schick has been a member of the Board of Management of Mercedes-Benz Group AG since 1 October 2025. He assumed responsibility for “Integrity, Governance & Sustainability” from Renata Jungo Brünnger, who left the Board of Management on 31 October 2025.

Board members Sabine Kohleisen and Hubertus Troska also left the Company in 2025. Sabine Kohleisen resigned her mandate on 30 April 2025. Her successor as “Human Relations & Labour Director” is Britta Seeger, effective 1 May 2025. Mathias Geisen was newly appointed to the Board of Management on 1 February 2025, and assumed responsibility for “Sales & Customer Experience” on 1 March 2025. Hubertus Troska left the company on 31 July 2025. His successor with responsibility for “Greater China” as of 1 February 2025 is Oliver Thöne.

Tomorrow XX: Technology programme to support sustainability goals

With the “Tomorrow XX” technology programme presented on 11 December 2025, the Mercedes-Benz Group continues its holistic approach to decarbonization, resource utilization, and the circular economy across the entire lifecycle of a vehicle and along the entire supply chain. This approach has already proven successful with the VISION EQXX and CONCEPT AMG GT XX models and plans call for its application to extend across the entire product range in future.





Planned changes in the Supervisory Board of Mercedes-Benz Group AG

On 12 December 2025, the Mercedes-Benz Group announced that, in addition to the re-election of Marco Gobetti, it would propose Katharina Beumelburg and Rashmi Misra, two experts in sustainability and artificial intelligence, for election to the Supervisory Board at the Annual General Meeting 2026. They will succeed Dame Polly Courtice and Professor Dr Helene Svahn, who will step down in April 2026.

Sale of the Athlon Group

The Board of Management of the Mercedes-Benz Group decided at the end of December 2025 to sell the Athlon Group companies. The signing of the contracts with the BNP Paribas Group is expected to take place in the second quarter of 2026.

Further information can be found in the Consolidated Financial Statements in the “Notes to the Consolidated Financial Statements” under the Note [“Consolidated Group”](#).

140 years of innovation

On 29 January 2026, Mercedes-Benz celebrated a very special anniversary: 140 years of innovation. Since registering its engine patent in 1886, the brand has shaped mobility and continuously set new standards in technology, design, and progress.

The anniversary year kicked off with the world premiere of the completely redesigned Mercedes-Benz S-Class on 29 January 2026.



Annual Results Conference in February 2026

On 12 February 2026, the Group presented its preliminary financial results for 2025 and preliminary outlook for 2026 at its Annual Results Conference. A central component was also a detailed strategy update on the Mercedes-Benz Cars future direction and its medium-term objectives. The focus of this strategy is primarily on the consistent further development of products and technologies to drive growth in all product categories, and the implementation of targeted measures to increase efficiency and optimize costs.





Objectives and Strategies

For 140 years, the Mercedes-Benz brand has stood for automotive excellence. As pioneers in automotive engineering, the Mercedes-Benz Group aims to pave the way to a sustainable and innovative future and continually redefine mobility for generations to come.

The Mercedes-Benz Group comprises the two automotive segments Mercedes-Benz Cars and Mercedes-Benz Vans, as well as the division Mercedes-Benz Financial Services.

The automotive segments pursue a strategy specifically tailored to the market and their customers. To present an even more unified image to customers in the future and continue to improve customer communication (“one face to the customer”), the financial services processes have been more closely linked with the automotive sales processes since 1 January 2026. The target is to offer customers an exceptional brand experience and to retain them within the Mercedes-Benz ecosystem with attractive follow-up offers.

The strategy and business purpose of Mercedes-Benz Financial Services are designed to support the automotive segments, promote sales success and contribute to the brand loyalty of the Mercedes-Benz Group through increased customer retention.

For information on the management of the segments, please refer to the explanations in the chapter “[Performance measurement system](#)”.

The common foundation of the divisional strategies consists of three principles: guided by sustainability, integrity and diversity, successful through an ambitious team, and accelerated by data and artificial intelligence (AI).

Guided by sustainability, integrity and diversity

Sustainability

Sustainability is a high priority for the Mercedes-Benz Group. The interests of the most important stakeholders are taken into account: customers, investors and employees, business partners and society as a whole. The Mercedes-Benz Group acts on the basis of the sustainable business strategy that the Board of Management of the Mercedes-Benz Group AG has adopted with the involvement of the Supervisory Board.

Mercedes-Benz Group

Mercedes-Benz Cars

Mercedes-Benz Vans

Mercedes-Benz Financial Services

Guided by sustainability, integrity & diversity

Driven by an ambitious team

Accelerated by data & AI

Economic, ecological and social responsibility go hand in hand – along the entire value chain.

With the six identified sustainability focus areas, the Mercedes-Benz Group addresses topics that are material for the environment, society and the company. These comprise: Decarbonization, Resource Use and Circular Economy, People, Human Rights, Digital Trust and Traffic Safety.

The Mercedes-Benz Group aims to offer the appropriate vehicle model for every customer – regardless of the type of powertrain. Alongside decarbonizing its supply chain, the Mercedes-Benz Group continues to view the electrification of its product range as a key lever for becoming net carbon-neutral¹. Since the ramp-up of electromobility is progressing differently in various markets and product categories, the Mercedes-Benz Group is continuously addressing the challenges arising from the set targets as well as any necessary adjustments due to regulatory developments.

Further information on this topic can be found in the “Sustainability Statement” in the chapter [“Strategy”](#) and in the chapter [“Environmental information”](#).

Integrity

The Mercedes-Benz Group is convinced that long-term success can only be achieved by acting in an ethically and legally responsible manner. Integrity is therefore of high significance. For the Mercedes-Benz Group integrity means doing the right thing by complying with external and internal rules listening to the inner compass and aligning actions with shared principles.

Diversity

The Group firmly believes that sustainable success can only be achieved with diverse teams. Through the use of appropriate measures and activities, the Mercedes-Benz Group seeks to foster a work environment that offers equal opportunities to all employees.

Driven by an ambitious team

The commitment of the employees plays a key role in the Mercedes-Benz Group’s global success. Indeed, if the transformation is to be successfully shaped, a team that is ready and willing to embrace change and continuously extend its knowledge and skills needs to be in place. The company therefore puts lifelong learning and the further education of employees at the centre of its sustainable personnel development approach.

As an attractive employer, the company also offers modern working conditions, varied assignments and a variety of development opportunities in the context of a culture of cooperation based on trust. The principles of collaboration define how communication, management, and collaboration should take place.

Accelerated by data and AI

Artificial intelligence (AI) and data are key drivers of the Group’s strategy. The Group uses AI along the entire value chain to optimize products and processes, automate routine tasks, or provide support for creative endeavours. The aim is to continue improve the customer experience, simplify the daily work of employees, and strengthen the Group’s competitiveness. To achieve this, the Group relies on both applications developed in-house and collaborations with partner companies to ensure access to cutting-edge technology worldwide. At the same time, the Mercedes-Benz Group is systematically expanding the AI and data expertise of its employees and ensuring responsible and compliant use of AI through clear guidelines.

¹ Net carbon-neutral means that carbon emissions that have neither been avoided nor reduced at the Mercedes-Benz Group are compensated for by certified offsetting projects.

Mercedes-Benz Cars

Mercedes-Benz Cars' goal is to build the world's most desirable cars. The division aligns its actions in pursuit of this goal with six strategic pillars.

Forge desire wherever our brand competes

Mercedes-Benz aims to build the world's most desirable cars. This leadership claim applies across all product categories – Entry, Core, and Top-End.

The Mercedes-Benz brand aims to combine outstanding engineering, iconic design, and maximum safety with lasting value, approachability, and authenticity. "Welcome home." is the promise to customers whenever they come into contact with the brand – in physical retail, on the website, or behind the steering wheel. Regardless of whether they get into a CLA, GLC, or an S-Class, and no matter which powertrain they choose – every detail should immediately convey: This is Mercedes-Benz. With pioneering technology, exceptional aesthetics, and innovative solutions for greater sustainability, the company strives to elevate the brand experience to an even higher level in the coming years.

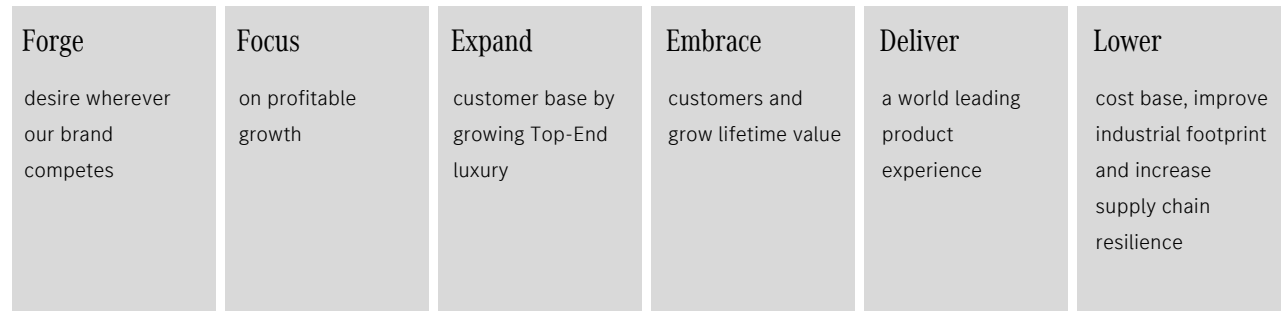
The goal for the future is: a brand that unites the many facets of customers' lives, from lifestyle to technology and digital aspects, as well as mobility and culture. Every product and every interaction should create an inspiring and emotional connection between the brand and its customers.

Focus on profitable growth

Mercedes-Benz Cars aims to make the transformation profitable and continue its growth. With a strong positioning of the Mercedes-Benz brand across all product categories, the aim is to achieve the strategic target of an adjusted return on sales of 8 to 10%.

Mercedes-Benz Cars Strategy

We will build the world's most desirable cars



Guided by sustainability, integrity & diversity

Driven by an ambitious team

Accelerated by data & AI



Key levers for this, in addition to a clear customer focus, are the alignment and further development of the portfolio as well as strong price enforcement. To this end, Mercedes-Benz Cars launched the largest product and technology offensive in its history in 2025. At the same time, the company is taking a disciplined approach to efficiency and optimizing its global production network. This also involves reviewing possibilities for the localization of production on a regular basis. By focusing on profitable growth, Mercedes-Benz Cars plans to create added value for its shareholders.

Expand customer base by growing Top-End Luxury

Mercedes-Benz Cars boasts an outstanding offering in the Top-End category, which goes beyond the Mercedes-Benz brand. This includes the Mercedes-AMG and Mercedes-Maybach brands, as well as the G-Class product brand. The Mercedes-Benz Cars strategy aims to unleash the full potential of the brand portfolio, expand the Top-End category, and achieve profitable growth. For this purpose, brand-specific formats and customer experiences will be utilized to reach new target audiences.

At the same time, an even stronger integration between the brands is to be created to leverage synergies. The Top-End brands will be continuously developed and specifically strengthened to sustainably boost the attractiveness of the overall portfolio.

The cross-brand individualization programme MANUFAKTUR by Mercedes-Benz enables personalization for Top-End vehicles through exclusive colours, materials, and craftsmanship. With this, Mercedes-Benz offers sophisticated customers exclusivity and uniqueness.

In 2025, for example, the limited small series Mercedes-AMG PureSpeed celebrated the launch of the Mythos series. Simultaneously, an exclusive Mercedes-Benz G-Class Edition STRONGER THAN THE 1980s was presented.

Embrace customers and grow lifetime value

In order to intensify and further expand customer loyalty, the focus along the entire “customer journey” is consistent on creating unique customer experiences and individual customer communication within the Mercedes-Benz ecosystem. A fundamental prerequisite for this includes consistent digitized sales and service processes, which are enabled, for example, by the gradual conversion of sales to direct sales through agents. This aims to adapt all channels – online and offline, from consultation to service – to the needs of customers and to develop them flexibly.

All customer contact points are being consistently bundled into one unit starting in 2026. With this, the company plans to further sharpen its customer focus and create even more uniform and faster customer communication. The aim is to lay the foundation for a

lasting and value-creating customer relationship with every successful business transaction. Customers should be delighted with individual offers beyond the vehicle purchase. This includes, for example, after-sales services and over-the-air (OTA) updates, subscriptions for Digital Extras and charging related products and services.

Mercedes-Benz Financial Services supports the segment with tailored financing and leasing offers as well as insurance services. Through flexible rental and leasing models, Mercedes-Benz Financial Services offers new freedom for individual mobility. At the same time, flexible financing and leasing offers are aimed to expand the customer base and increase customer loyalty.

In 2025, the world’s first Maybach Brand Center was opened in Seoul (South Korea). It offers customers a comprehensive experience, combining a showroom, service centre, individualization studio, a lounge and pick-up areas in one building.

The goal of Mercedes-Benz is to create the best customer experience – seamless across every interaction and every touchpoint with the brand.

**Deliver a world leading product experience**

Mercedes-Benz Cars aims to create a globally leading product experience for its customers. The CLA is the first software-defined vehicle with the in-house developed operating system MB.OS. With the CLA, Mercedes-Benz Cars launched a large-scale product and technology offensive in 2025, with more than 40 new models to be presented by the end of 2027.

With the new CLA and MB.OS, Mercedes-Benz, in close cooperation with Microsoft, is enabling customers to participate in video conferences via Teams directly from the vehicle for the first time. The new MBUX Virtual Assistant is the first system in an automobile that offers artificial intelligence from Google and Microsoft for natural and complex conversations. Mercedes-Benz aims for technology leadership and plans, together with strong partners such as Microsoft and Google, to set new standards for productivity and connectivity in the automotive sector.

As the architect of MB.OS, the company specifically enters into strategic partnerships with leading software companies. Through a flexible interface, customers can easily and intuitively access third-party content in the typical Mercedes style.

In the field of electric drives, the company demonstrated a new dimension of performance with the Concept AMG GT XX. In August 2025, numerous records were broken on the legendary high-speed test track in Nardò, Southern Italy: The vehicle covered the greatest distance ever achieved by an electric vehicle within 24 hours, 5,479 kilometres, as it drove “around the world” in less than eight days. Over 40,000 kilometres were covered in a record time of just 7 days, 13 hours, 24 minutes, and 7.1 seconds. This drive represented one of Mercedes-Benz’s most demanding tests and aimed to test innovative technologies that are scheduled to go into series production in 2026.

The aim is to continuously drive technological progress so that the latest innovations are always integrated into all future Mercedes-Benz models – regardless of which type of powertrain. The goal is to inspire drivers and passengers through the perfect combination of digital experience, intuitive operation, dynamics, comfort, design, and safety.

Lower cost base, improve industrial footprint and increase supply chain resilience

The consistent continuation of profitability targets is a fundamental component of the sustainable successful transformation of the company. Mercedes-Benz Cars aims to further optimize its break-even point and financial strength and is consistently and sustainably working towards achieving its cost targets. To this end, additional measures were taken in the 2025 financial year to reduce the cost base across all cost types and to optimize the industrial footprint.

The company plans to further reduce production costs, having already adjusted production capacities in recent years and continuously examined cost-optimal product relocations. For example, the production of the Mercedes-Benz GLB at the COMPAS plant in Aguascalientes (Mexico) is scheduled to end in May 2026. Production of the GLB’s successor model will then be launched at the Kecskemét plant (Hungary).

To secure and increase the competitiveness of the Group and the resilience of business activities, Mercedes-Benz Cars aims to manage its supply chains even more actively. Examples of diversifying risks and building increased resilience include the partnership with Momenta for products in China and with Nvidia for the Western world.

Mercedes-Benz Vans

The goal of Mercedes-Benz Vans is to offer the most desirable vans and services worldwide. The strategy of Mercedes-Benz Vans is based on five pillars.

Elevate our position as the leading partner in commercial solutions

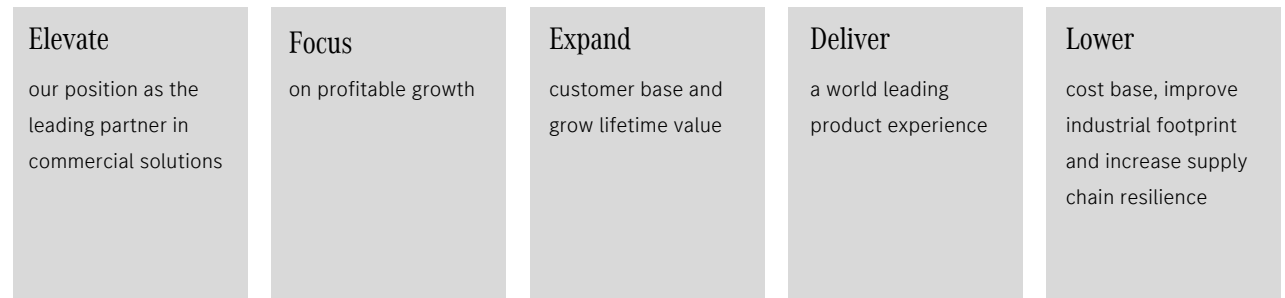
Mercedes-Benz Vans places commercial customers at the centre of its strategy and responds to their evolving requirements, ensuring that its products and services deliver maximum value.

The company will continuously further refine its vehicle and service portfolio, tailor it to customer needs, and actively leverage strategic partnerships.

By providing a premium customer experience through seamless and transparent services, Mercedes-Benz Vans aims to strengthen long-term relationships and deliver continuous profitable growth in the commercial segment.

Mercedes-Benz Vans Strategy

We will offer the world's most desirable vans and services



Guided by sustainability, integrity & diversity

Driven by an ambitious team

Accelerated by data & AI

**Focus on profitable growth**

Mercedes-Benz Vans has extensively shaped the van market worldwide. As part of the Mercedes-Benz brand family, the division continuously sharpens its profile as a supplier of future-oriented transport solutions for commercial and private customers. Mercedes-Benz Vans continuously aims for industry-leading profitability to ensure sustainable growth and maintain the ability to reinvest in innovation and quality for its commercially and privately oriented products and services. A key element of this strategy is the increased focus on high-sales and high-margin markets and segments.

Expand customer base and grow lifetime value

Mercedes-Benz Vans is determined to grow with a customer-first mindset and therefore drives its expansion strategy by targeting markets, industries, and segments with strong growth potential.

Furthermore, Mercedes-Benz Vans consistently strives to deliver superior products and services throughout the entire lifecycle – from purchase to end of life. This approach creates a decisive competitive advantage and fosters long-term customer relationships.

To strengthen this approach, the company plans to increasingly leverage data-driven insights to better understand the needs of both future and existing customers and to make informed and guided decisions.

To ensure growth while maintaining high profitability levels the company optimizes its customer-focused product and service portfolio.

Mercedes-Benz Financial Services supports the division with tailored financing, leasing, and insurance services that create new opportunities for individual mobility.

Deliver a world leading product experience

Mercedes-Benz Vans places great emphasis on the highest quality, reliability, comfort and safety in its products.

The guiding premise is to offer superior product substance to commercial customers, thereby enabling their entrepreneurial excellence, and to lead with the most innovative and desirable products in the private customer segment.

The objective is to lead across all types of powertrain delivering durability and outstanding efficiency in both all-electric vehicles (BEVs) and internal combustion engines (ICEs), while delivering an attractive value proposition.

The new Van Architecture will form the basis of all newly developed medium-sized and large Mercedes-Benz vans in the future. It allows for a clear differentiation between privately positioned MPVs (VLE and VLS) and commercially positioned vans in the premium segment.

Beginning in 2026, the all-electric models of the Van Electric Architecture (VAN.EA) will be introduced for private customers. The VLE will be the first model to be launched. VLE prototypes have already demonstrated their efficiency in three key areas: aerodynamics in wind tunnel tests, optimized performance during high-speed runs on the test track, and real-world usability on a 1,100 km journey from Stuttgart to Rome with only two short charging stops.

Electric commercial vans will follow at a later date. The second version of the Van Architecture, the Van Combustion Architecture (VAN.CA), will also include state-of-the-art combustion engine vans in the future portfolio for private and commercial use.

Mercedes-Benz Vans expects the next generation of vans to set new standards in terms of connectivity and software through the full implementation of the company's own Mercedes-Benz Operating System (MB.OS). The deep integration of the chip-to-cloud architecture into the vehicle allows for precise control of all actuators and sensors – from infotainment and comfort features to charging – thus enabling the intelligent integration of vehicle functions into the user interface. This comprehensive deep integration creates new opportunities for customers who benefit from even greater connectivity in their vehicles. Digital Extras tailored to customer needs, such as Mercedes-Benz Van Uptime Monitor or Large Vehicle Navigation, make the maintenance and use of their own vans even more efficient.

Lower cost base, improve industrial footprint and increase supply chain resilience

Mercedes-Benz Vans continues its comprehensive cost initiative across the entire value chain to safeguard profitability and strengthen competitiveness. This includes the continuous optimization of production processes, the reduction of manufacturing costs, and targeted investments in equipment and infrastructure across German and international sites. The resulting cost savings – particularly in fixed costs – underscore the progress made over the course of the year. These outcomes were largely driven by consistent and rigorous project and resource management.

The objective is to establish global standards for productivity and lean operational processes. At the same time, the production network is continuously adapted to evolving market requirements, with a strong focus on strengthening resilience to ensure long-term competitiveness. The operational improvements implemented in the plants document the continuous progress of the transformation over the course of 2025. Looking ahead, the international production network of Mercedes-Benz Vans will continue to serve as a reliable and high-performing pillar of value creation. To respond flexibly to changing framework conditions, procurement strategies are being pursued that optimally combine speed and cost efficiency.





Performance measurement system

Various targets are derived from the strategy of the Mercedes-Benz Group and its divisions, and the Group's performance measurement system is geared towards achieving these objectives. In addition to financial aspects, these also include sustainability-related targets.

The following statements primarily relate to the Group's financial performance measurement system. Explanations of the sustainability goals, as well as the concepts and actions for achieving these targets, can be found in the chapter "[Sustainability Statement](#)".

Financial performance measures

Value added and return on net assets (RONA)

The Mercedes-Benz Group's financial performance measurement system is designed to ensure that the interests and demands of its investors are met within the framework of value-oriented corporate governance. This guiding principle forms the basis of value added, which demonstrates the extent to which the Group and its divisions generate or exceed the return expected by investors.

Value added can be calculated as the difference between the measure of operating profit (EBIT or net operating profit) and the cost of capital of the average net assets.

Calculation of value added

$$\text{Value added} = \text{Profit measure} - \frac{\text{Net assets} \times \text{Cost of capital (\%)}}{\text{Cost of capital}}$$

The return on net assets (RONA) is calculated from the ratio of EBIT to net assets. Value is created for the shareholders when RONA exceeds the cost of capital. The required rate of return on net assets, and thus the cost of capital rate, is derived from the minimum rates of return that equity investors and lenders expect on their invested capital.

Profit measures

EBIT is used as the operating performance indicator for the divisions. As earnings before interest and income taxes, EBIT reflects the profit responsibility of the divisions. Taking into account centrally managed items and eliminations, EBIT is calculated at the Group level.

Group EBIT minus the centrally managed income taxes equals **net operating profit**.

As a key factor influencing value added, the **return on sales** is particularly important for assessing the profitability of automotive segments. The return on sales is calculated as the ratio of EBIT to sales revenue. The primary driver of revenue is vehicle sales.

For Mercedes-Benz Financial Services, profitability is assessed based on the **return on equity**, which is determined as the ratio of EBIT to the average equity of the quarters.

Net assets

All assets, liabilities and provisions for which the automotive segments are responsible in day-to-day operations are allocated to them. Performance measurement at Mercedes-Benz Financial Services is implemented on an equity basis. Net assets at the Group level include the net operating assets of the automotive segments and the equity of Mercedes-Benz Financial Services, as well as assets and liabilities from income taxes and other reconciling items which are not allocated to the divisions. The average annual net assets are calculated on the basis of the average quarterly net assets.



Cash flow

A change in net assets – for example as a result of investments – generally leads to the application or release of liquid funds. Along with earnings, net assets thus also have a direct effect on the cash flow. Of central importance for the financial strength of the Mercedes-Benz Group is the **free cash flow of the industrial business**, which comprises the cash flows at the automotive segments and the cash flows from interest, taxes and other reconciling items that cannot be allocated to the divisions.

The operating cash flow before interest and taxes (**CFBIT**) for the automotive segments is derived from EBIT and the change in net assets.

The **cash conversion rate** is the ratio of CFBIT to EBIT over a period of time and is an important measure for cash-flow management at the automotive segments.

Adjusted figures

To provide a more transparent presentation of the ongoing business, additional adjusted figures are determined and reported for both the Group and the divisions:

- adjusted EBIT for the Group and the divisions
- adjusted return on sales for the automotive segments
- adjusted return on equity for Mercedes-Benz Financial Services
- adjusted free cash flow of the industrial business
- adjusted CFBIT of the automotive segments
- adjusted cash conversion rate of the automotive segments

The adjustments include individual items, provided these have a material effect in a reporting year. These individual items can relate in particular to legal proceedings and related actions, restructuring measures, and M&A transactions.

The quantitative derivation and development of the financial performance measures is explained in the chapter "[Profitability, Cash Flows and Financial Position](#)".

Key financial performance indicators

In terms of operational financial performance measurement, the following key figures represent the most important **financial performance indicators** for the Mercedes-Benz Group:

- revenue
- EBIT
- free cash flow of the industrial business

For the automotive segments Mercedes-Benz Cars and Mercedes-Benz Vans, the following financial key figures are of particular relevance as the most important performance indicators:

- adjusted return on sales
- adjusted cash conversion rate
- investments in property, plant and equipment
- research and development expenditure

For Mercedes-Benz Financial Services, the adjusted return on equity represents the key financial performance indicator.



In addition, the following key performance indicators are used as **non-financial performance indicators** for managing the automotive segments Mercedes-Benz Cars and Mercedes-Benz Vans:

- unit sales
- share of electrified vehicles (xEVs)

Declaration on Corporate Governance

The Declaration on Corporate Governance, which is combined for the company and the Group in accordance with Section 289f and Section 315d of the German Commercial Code, can be found in the “[Declaration on Corporate Governance](#)” of the Annual Report as well as on the Internet at group.mercedes-benz.com/dcg.

Pursuant to Section 317 Subsection 2 Sentence 6 of the German Commercial Code (HGB), the purpose of the audit of the statements pursuant to Section 289f Subsections 2 and 5 and Section 315d of the HGB by the auditors is limited to determining whether such statements have actually been provided.



Economic Conditions and Business Development

The world economy and automotive markets

The world economy

General economic conditions

World economic growth gradually slowed over the course of the reporting year, but at 2.9% on average it maintained the pace of the previous year. Global trade and manufacturing proved more resilient than expected in the face of trade and geopolitical uncertainty; in the first half of the year in particular, activity benefited from frontloading before US tariffs came into effect. The decline in inflation stalled in many places in 2025. Core inflation rates (excluding energy and food prices) in most countries were still above the respective central bank targets, mainly due to continued solid wage growth and correspondingly high inflation rates in the services sector. Nevertheless, many major central banks, with the exception of Japan, continued their monetary easing cycles.

In this environment, world trade increased by more than 4% compared to the prior year. A significant contributor to this growth was the high demand for goods related to the expansion of artificial intelligence (AI) infrastructure.

In the United States, local tariff policy had a noticeable impact on the trade balance and caused volatility in GDP growth. Nevertheless, economic output picked up over the course of the year after a slight decrease in the first quarter. For the year as a whole, growth remained robust, though significantly lower than in the previous year, at around 2%. Private consumption was also somewhat weaker given the high level of uncertainty and renewed rising inflation over the course of the year, while business investment, especially in AI, grew strongly. Inflation remained at close to previous year's level at 2.7%. Accordingly, the central bank initially adopted a wait-and-see approach and only continued its cycle of interest rate cuts in the last third of the year. It lowered the key interest rate by 75 basis points to 3.75% by the end of the year.

The economy in the eurozone continued to develop at a rather subdued pace. Economic output benefited from frontloading effects at the beginning of the year due to the threat of US tariffs, but only grew moderately as the year progressed. The industrial sector continued to suffer from eroding competitiveness and weak demand, but grew again over the year as a whole for the first time since 2022. In Germany, however, industrial output declined once more. Despite rising real incomes and a solid labour market, growth in private consumption failed to gain momentum. In contrast, inflation averaged 2.1% for the year, reaching the central bank target of around 2% enabling the European Central Bank to lower its policy rate by a further 100 basis points to 2.0%. The eurozone economy still recorded slightly stronger growth of 1.4% for the year as a whole.

Tariff frontrunning from the United States also ensured strong growth for the Chinese economy in the first half of the year. However, continued weakness in the real estate sector and weak consumer confidence, as well

as a decline in investment activity from the middle of the year onwards, dampened growth in the second half of the year. Thanks to resilient overall exports and government support measures, the declared growth target of around 5% was nevertheless achieved.

However, deflationary trends continued to intensify, and consumer prices were flat over the year as a whole.

Development of exchange rates

In this environment, exchange rates were volatile. The US dollar traded between 1.02 and 1.18 against the euro over the course of the year. At the end of the year, the euro was around 13% stronger than at the end of 2024. The Chinese Renminbi fluctuated between 7.45 and 8.46 against the euro. At the end of the year, the euro had appreciated by around 8.5%. The euro gained almost 13% against the Japanese yen, with a fluctuation range of 156 to 184 yen per euro.

Energy and raw material prices

The price of Brent crude oil fluctuated between USD 59 and USD 84 per barrel over the course of the year, but averaged around USD 69 for the year, which was about 14% below the previous year's level. Gas prices in Europe (TTF) reached a 20-month low in December despite low inventories, but were still around 5% higher than in the previous year on average. At €28 per megawatt hour, the price was around 40% lower than at the end of the previous year.

Automotive markets

The conditions described above also shaped the development of the global automotive market in the past year. Demand remained muted in many places.

In this environment, the global **passenger car market** remained on the previous year's level.

In the United States, the market for light passenger vehicles was slightly above the previous year's level. The electrified vehicle (xEV) share of the total market in the United States stagnated around 9%.

The European car market was also slightly above the level of the previous year. The xEV share of the overall car market in Europe increased significantly in comparison to the prior year, to around 29%.

While the total Chinese passenger car market stagnated at the previous year's level, unit sales of many foreign premium manufacturers recorded significant losses. The share of xEVs in the overall Chinese car market surged to around 53%. Thus xEVs accounted for over half of the total passenger car market in China.

The factors mentioned above also shaped the development of important **van markets**.

In Europe, the combined market segment of mid-size and large vans, as well as the small van segment, recorded slight decreases compared to the prior year. The share of xEVs increased significantly in Europe and reached a market share of 13% in the combined mid-size and large vans segment and 15% in the small van segment.

The US market for large vans increased slightly above previous year's level. The xEV-share remained low in the large vans market in the United States.

In China, the market segment for mid-size vans exceeded the previous year's level significantly. The market continued to be supported by the introduction of new vehicle models from various competitors. The share of xEVs in the Chinese mid-size vans segment reached around 56%.



Business development

Mercedes-Benz Group

The business development of the Mercedes-Benz Group faced numerous challenges in 2025 as well: ongoing geopolitical conflicts, trade policy uncertainties and volatile markets shaped the framework conditions. In China in particular, business development was also characterized by high competitive intensity, strong sales growth for new market participants and thus significant structural market shifts.

In this challenging and highly competitive market environment, 2.2 million passenger cars and vans were sold worldwide in 2025 (2024: 2.4 million).

Mercedes-Benz Cars

In 2025, Mercedes-Benz Cars' unit sales were impacted by tariffs and a highly competitive market environment. The division recorded stable sales in the European market, remaining at the previous year's level. Unit sales in the United States were negatively affected by tariffs and diligent stock management by dealers. Unit sales in China also remained below the previous year's level due to the highly competitive market environment. With a total of 1,801,291 units sold, Mercedes-Benz Cars' unit sales were 9% below the level of the previous year.

Unit sales in the Top-End category accounted for 15% of total sales in 2025 (2024: 14%). Positive sales growth for the G-Class and stable development for Mercedes-AMG were offset by decreased sales for the S-Class models, which were affected by factors including planned model changes. Furthermore, the challenging market situation in China negatively impacted sales performance. Unit sales of Top-End vehicles were down 5% overall compared to the same period last year.

The share of the Core category in the total portfolio was 58% in 2025 (2024: 59%). In connection with the continuing difficult market environment, particularly in China, and the upcoming model launches, unit sales of Core vehicles decreased by 10% compared to the prior year.

The Entry category represented 27% (2024: 27%) of the total portfolio in 2025. Here too, unit sales – influenced by the planned product offensive – were 10% below the previous year's level.

Unit sales of electrified vehicles in 2025 remained at the previous year's level. Overall, Mercedes-Benz Cars achieved a share of 20.5% for electrified vehicles in its total sales (2024: 18.5%). Sales of plug-in hybrids increased worldwide in 2025, while unit sales of all-electric vehicles declined.

Unit sales by product categories and classes

	2025	2024	25/24
In units			% change
Total unit sales¹	1,801,291	1,983,403	-9
Top-End	268,026	281,492	-5
S-Class models ^{2,3}	105,564	127,073	-17
Mercedes-AMG	142,319	140,282	+1
G-Class ²	48,214	42,260	+14
Mercedes-Maybach	20,033	21,302	-6
Core	1,049,830	1,167,119	-10
E-Class models ²	461,201	512,143	-10
C-Class models ²	667,063	725,129	-8
Entry	483,435	534,792	-10
B-Class models ²	152,185	183,772	-17
A-Class models ²	354,795	374,033	-5
smart	40	5,696	-99
thereof			
Electrified vehicles (xEVs)	368,700	367,610	-
All-electric vehicles (BEVs)	168,823	185,059	-9
Plug-in hybrid vehicles (PHEVs)	199,877	182,551	+9
Share of electrified vehicles in % of unit sales	20.5	18.5	

¹ Unit sales include invoices for new vehicles to non-Group third parties (including non-Group dealers) and non-consolidated subsidiaries, as well as leasing contracts for new vehicles (including finance leases). This figure includes the unit sales of the associated company Beijing Benz Automotive Co., Ltd. (BBAC), which is an equity-method investment.

² Including AMG models and their derivatives.

³ Including Maybach variants.

**Unit sales by region**

	2025	2024	25/24
In units			% change
Total unit sales¹	1,801,291	1,983,403	-9
Europe ²	635,072	641,792	-1
thereof Germany	213,672	213,456	-
North America ³	320,552	365,358	-12
thereof United States	284,650	324,529	-12
Asia	746,981	892,147	-16
thereof China ⁴	551,932	683,568	-19
Other markets	98,686	84,106	+17

1 Unit sales include invoices for new vehicles to non-Group third parties (including non-Group dealers) and non-consolidated subsidiaries, as well as leasing contracts for new vehicles (including finance leases).

2 European Union, United Kingdom, Switzerland and Norway.

3 United States, Canada and Mexico.

4 This figure includes the unit sales of the associated company Beijing Benz Automotive Co., Ltd. (BBAC), which is an equity-method investment.

Order situation

The year 2025 marked the launch of Mercedes-Benz Cars' planned product and technology offensive. Order intake for Mercedes-Benz Cars at the end of 2025 was below the previous year's level, primarily due to the upcoming model changes in 2026 and the challenging market environment in China. However, driven by the new CLA and GLC models already available for order, order intake for electrified vehicles increased compared to the same period of the previous year.

Mercedes-Benz Vans

In a highly competitive market environment, Mercedes-Benz Vans sold 359,136 vehicles worldwide in 2025. This represented a decrease of 11% compared to the prior year (2024: 405,610 units). Total unit sales were primarily impacted by the decline in sales of commercial vans.

Despite stable sales in Germany, total unit sales in the Europe region were below the previous year's level. Unit sales in the other regions were also below the 2024 level.

Sales of electrified vans increased by 46% worldwide. These were exclusively all-electric models. The share of electrified vehicles in total unit sales thus amounted to 7.9% (2024: 4.8%). The positive development was largely driven by the complete availability of the electric van portfolio and a large single order.

Unit sales by customer segments

	2025	2024	25/24
In units			% change
Total unit sales¹	359,136	405,610	-11
Commercial Vans	298,655	343,683	-13
large Vans (Sprinter/ eSprinter)	188,889	219,127	-14
mid-size Vans (Vito/eVito)	86,834	101,205	-14
small Vans (Citan/eCitan)	22,932	23,351	-2
Private Vans	60,481	61,926	-2
mid-size Vans (V-Class, EQV)	53,730	56,809	-5
small Vans (T-Class, EQT ²)	6,751	5,117	+32
thereof			
Electrified vehicles (xEVs)³	28,488	19,516	+46
Share of electrified vehicles in % of unit sales	7.9	4.8	

1 Unit sales include invoices for new vehicles to non-Group third parties (including non-Group dealers) and non-consolidated subsidiaries, as well as leasing contracts for new vehicles (including finance leases). The unit sales of the joint venture Fujian Benz Automotive Co., Ltd (FBAC) and the licensee Prestige Auto S.A.U. are also included.

2 Mercedes-Benz EQT (energy consumption combined: 20.9 - 19.3 kWh/100 km | CO₂ emissions combined: 0 g/km | CO₂ class: A).

3 Exclusively all-electric models (BEVs).

**Unit sales by region**

	2025	2024	25/24
In units			% change
Total unit sales¹	359,136	405,610	-11
Europe ²	248,744	271,500	-8
thereof Germany	102,705	103,247	-1
North America ³	43,410	59,953	-28
thereof United States	35,327	49,538	-29
Asia	28,261	33,993	-17
thereof China	20,006	26,613	-25
Other markets	38,721	40,164	-4

¹ Unit sales include invoices for new vehicles to non-Group third parties (including non-Group dealers) and non-consolidated subsidiaries, as well as leasing contracts for new vehicles (including finance leases). The unit sales of the joint venture Fujian Benz Automotive Co., Ltd (FBAC) and the licensee Prestige Auto S.A.U. are also included.

² European Union, United Kingdom, Switzerland and Norway.

³ United States, Canada and Mexico.

Order situation

At Mercedes-Benz Vans, the order backlog at the end of 2025 was on a similar level to the previous year.

Mercedes-Benz Financial Services

At the end of 2025, the Mercedes-Benz Financial Services division recorded a contract volume of €128.8 billion, below the previous year's level due to currency effects and the sales performance of the automotive segments (31 December 2024: €138.1 billion, -7%; adjusted for exchange-rate effects -1%). The contract volume represents the total number of leasing and financing contracts as of a specific cut-off date.

Influenced by developments on the sales side, the number of new financing and leasing contracts in 2025 was 1.16 million (2024: 1.25 million), 7% below the level of the previous year.

New business remained only 6% below the prior-year level at €55.9 billion (2024: €59.5 billion) due to a higher average financing and leasing volume per contract. New business represents the volume of leasing and financing contracts capitalized in the reporting year.

In the German market, new business amounted to €9.4 billion, the same level as the previous year. The contract volume was €21.2 billion (-6%).

The US market benefited from a positive development in the penetration rate. The penetration rate quantifies the proportion of leased and financed vehicles in the group's unit sales. Currency effects and developments on the sales side had a counteracting effect. New business remained below the previous year's level at €15.9 billion (-9%). The contract volume amounted to €35.8 billion (-13%).

Due to the development of sales, new business in China declined by 24% compared to the same period last year, reaching a volume of €4.1 billion. At €10.5 billion, 21% below the previous year's level, contract volume was also down.

In the other markets, new business totalled €26.6 billion (-3%) and the contract volume, at €61.3 billion, was at the previous year's level.



Profitability, Cash Flows and Financial Position

Presentation of the Industrial Business

To provide a better insight into the Group's profitability, cash flows and financial position, in addition to the figures for the Mercedes-Benz Group, a Condensed Consolidated Statement of Income, a Condensed Consolidated Statement of Cash Flows and a Condensed Consolidated Statement of Financial Position are shown for the industrial business and the Mercedes-Benz Financial Services segment. The industrial business comprises the automotive segments Mercedes-Benz Cars and Mercedes-Benz Vans. The effects from the elimination of intercompany transactions between the industrial business and Mercedes-Benz Financial Services, as well as items at the corporate level, are generally allocated to the industrial business.

Adjustments

In order to provide a more transparent presentation of the ongoing business, adjusted figures are also calculated and reported for both the Group and the segments. The adjustments generally include individual items insofar as they lead to material effects in a reporting year. These individual items can relate in particular to legal proceedings and related measures, restructuring measures and M&A transactions.

In the segments Mercedes-Benz Cars and Mercedes-Benz Vans, the valuation of provisions in connection with governmental and court proceedings and measures taken relating to Mercedes-Benz diesel vehicles is reported in the legal proceedings (and related measures) as an adjustment. In the Mercedes-Benz Financial Services segment, expenses from the measurement of provisions for commission models in previous vehicle financing in the United Kingdom are reported in this category in the reporting year 2025 as an adjustment.

Expenses from the double voluntary workforce adjustment programme for employees in indirect areas in Germany and optimization programmes abroad are adjusted under restructuring measures. In the prior year, restructuring measures included expenses from an impairment of the shares in Automotive Cells Company SE (ACC) within the Mercedes-Benz Cars segment. The impairment was related to the strategic focus within the investment.

Expenses from the sale of production and sales capacities in Argentina and expenses and earnings from the review of the future structure of Own Retail in Germany are reported as adjustments under M&A transactions in 2025. Further information is provided in [Note 3](#) in the chapter "[Notes to the Consolidated Financial Statements](#)" of the Consolidated Financial Statements.

Further information on the performance measurement system can be found in the chapter "[Corporate Profile](#)".



Profitability

Consolidated Statement of Income

In 2025, the **revenue** amounted to €132.2 billion (2024: €145.6 billion) and was lower than in the prior year.

This was primarily due to the decrease in unit sales in connection with negative net pricing effects, the negative development of exchange rates and the decrease in the component business with Beijing Benz Automotive Co., Ltd., which is an equity-method investment.

Cost of sales amounted to €109.9 billion (2024: €117.0 billion) in 2025 and was below the prior-year level. Both the decrease in unit sales and cost efficiencies, primarily in purchasing and manufacturing, were opposed by increased tariff expenses, additional expenses from the measurement of provisions for commission models in previous vehicle financing in the Mercedes-Benz Financial Services segment as well as expenses from optimization programme “Next Level Performance” launched in April.

Overall, **gross profit in relation to revenue** decreased from €28.6 billion to €22.3 billion.

Selling expenses of €9.7 billion in 2025 were below the previous year’s level (2024: €10.0 billion).

Revenue by segment and region

	2025	2024	25/24
In millions of euros			% change
Mercedes-Benz Group	132,214	145,594	-9
Segments			
Mercedes-Benz Cars	96,407	107,761	-11
Mercedes-Benz Vans	17,148	19,320	-11
Mercedes-Benz Financial Services	24,625	25,083	-2
Reconciliation ¹	-5,966	-6,570	-9
Regions			
Europe	57,908	58,764	-1
thereof Germany	20,943	21,707	-4
North America	34,552	38,917	-11
thereof United States	30,974	34,900	-11
Asia	31,571	39,643	-20
thereof China	16,519	23,139	-29
Other markets	8,183	8,270	-1

¹ The reconciliation includes eliminations of intra-Group revenue between the segments.

General administrative expenses amounted to €2.5 billion in 2025 (2024: €2.5 billion).

For both selling expenses and general administrative expenses, the increased costs associated with optimization programmes were offset by lower expenses resulting from efficiency measures.

Research and non-capitalized development costs

of €6.1 billion in 2025 were above the prior-year level (2024: €5.6 billion). The increase is mainly due to expenses from the optimization programmes. Further information on this topic is provided in the chapter “Investment and research activities”.

Other operating income of €0.5 billion (2024:

€2.0 billion) was below the level of the prior year. This was primarily due to expenses in connection with the sale of the production and sales capacities in Argentina. In the previous year, income from the reversal of provisions in connection with governmental and court proceedings and measures taken relating to Mercedes-Benz diesel vehicles had an opposing effect.

In 2025, the **gains/losses on equity-method investments** amounted to €1.1 billion (2024: €1.1 billion) and were thus at the prior-year level. The impairment of the shares in Automotive Cells Company SE recognized in 2024, which was related to the strategic focus within the joint venture, was offset by lower income from Daimler Truck Holding AG and a lower result from Beijing Benz Automotive Co., Ltd.



The **other financial income/expense** in 2025 was above the prior-year level at €0.1 billion (2024: €0.0 billion), in particular due to positive valuation effects from derivative financial instruments that are not included in hedge accounting. This was offset by a positive effect on earnings of €223 million in 2024 from the revaluation of the liabilities recognized in the context of the share buyback programmes.

Earnings before interest and taxes (EBIT) amounted to €5.8 billion in 2025, which is significantly lower than in the previous year (2024: €13.6 billion).

Net interest income/expense amounted to €0.5 billion (2024: €0.5 billion) and was thus at the prior-year level.

The tax expense declared under **income taxes** amounted to €1.0 billion (2024: €3.7 billion). As a result of the lower profit before income taxes and the law for an immediate tax investment programme to strengthen Germany as a business location, tax expense was below the prior-year level. In particular the aforementioned law led to a decrease in the effective tax rate for the reporting year to 15.2% (2024: 26.4%).

Net profit was thus €5.3 billion (2024: €10.4 billion). Net profit of €0.2 billion is attributable to **non-controlling interests** (2024: €0.2 billion). The **share of the net profit attributable to shareholders of Mercedes-Benz Group AG** amounted to €5.1 billion (2024: €10.2 billion), leading to a decrease in **earnings per share** to €5.34 (2024: €10.19). The calculation of earnings per share is based on an average number of 962.4 million issued shares (2024: 1,002.0 million issued shares). The decrease in the weighted average number of shares outstanding is essentially due to the share buyback programmes completed in the year 2024.

Further information on the individual items of the Consolidated Statement of Income is provided in [Note 4 ff.](#) in the chapter “[Notes to the Consolidated Financial Statements](#)” of the Consolidated Financial Statements.

**Condensed Consolidated Statement of Income**

	Mercedes-Benz Group		Industrial Business		Mercedes-Benz Financial Services	
	2025	2024	2025	2024	2025	2024
In millions of euros						
Revenue	132,214	145,594	107,589	120,511	24,625	25,083
Cost of sales	-109,881	-117,018	-87,067	-94,264	-22,814	-22,754
Gross profit in relation to revenue	22,333	28,576	20,522	26,247	1,811	2,329
Selling expenses	-9,718	-9,993	-9,146	-9,377	-572	-616
General administrative expenses	-2,477	-2,529	-1,748	-1,774	-729	-755
Research and non-capitalized development costs	-6,055	-5,580	-6,055	-5,580	-	-
Other operating income/expense	526	2,024	377	1,845	149	179
Gains/losses on equity-method investments, net	1,118	1,138	1,093	1,140	25	-2
Other financial income/expense, net	93	-37	87	-36	6	-1
EBIT	5,820	13,599	5,130	12,465	690	1,134
Interest income	464	548				
Profit before income taxes	6,284	14,147				
Income taxes	-953	-3,738				
Net profit	5,331	10,409				
thereof profit attributable to non-controlling interests	190	202				
thereof share of the net profit attributable to shareholders of Mercedes-Benz Group AG	5,141	10,207				
Earnings per share (in euros)						
For profit attributable to shareholders of Mercedes-Benz Group AG						
Basic	5.34	10.19				
Diluted	5.34	10.19				

**Adjusted EBIT of the segments**

The adjusted EBIT of the **Mercedes-Benz Cars** segment was €4,773 million (2024: €8,677 million).

The decrease in adjusted EBIT was primarily due to the negative development of exchange rates as well as increased tariff expenses. The overall lower unit sales combined with negative net pricing and a decrease in component business with Beijing Benz Automotive Co., Ltd., which is an equity-method investment, along with its reduced contribution to earnings, also negatively impacted the results. Conversely, cost efficiencies, primarily in purchasing and manufacturing were achieved. Lower selling expenses as well as lower general administrative expenses, resulting from efficiency measures, also had a positive effect.

The **Mercedes-Benz Vans** segment achieved an adjusted EBIT of €1,755 million (2024: €2,825 million).

The lower adjusted EBIT in 2025 was primarily due to significantly lower unit sales combined with negative net pricing effects. Furthermore, expenses related to the non-achievement of CO₂ targets as well as unfavourable exchange rate developments negatively impacted earnings. This was offset by a favourable product mix resulting from a strong product substance. Additionally, lower product-related expenses had a positive effect on the adjusted EBIT in 2025.

In 2025, the adjusted EBIT of the **Mercedes-Benz Financial Services** segment amounted to €1,267 million (2024: €1,134 million).

The main reason for the positive development of the adjusted EBIT in 2025 was lower functional costs as a result of ongoing efficiency measures as well as a higher interest margin due to a continued favourable new business margin. Conversely, higher cost of credit risk due to a softer global economic outlook had an opposing effect.

The adjusted EBIT of the **reconciliation** of the segments' EBIT to Group EBIT amounted to €440 million (2024: €1,077 million) and comprises items at the corporate level and the effects of eliminating intra-Group transactions between the segments.

In 2025, items at the corporate level resulted in earnings of €131 million (2024: €883 million). This includes the positive effects on earnings of €353 million (2024: €711 million) from the equity-method investments in Daimler Truck Holding AG. In 2024, a positive effect on earnings of €223 million from the revaluation of the liabilities recognized in the context of the share buyback programmes was included.

The elimination of intra-Group transactions resulted in earnings of €126 million in 2025 (2024: €190 million).

**EBIT of the Mercedes-Benz Group**

	Mercedes-Benz Group		Mercedes-Benz Cars		Mercedes-Benz Vans		Mercedes-Benz Financial Services		Reconciliation	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
In millions of euros										
Revenue	132,214	145,594	96,407	107,761	17,148	19,320	24,625	25,083	-5,966	-6,570
Cost of sales	-109,881	-117,018	-79,681	-86,191	-13,386	-14,669	-22,814	-22,754	6,000	6,596
Gross profit in relation to revenue	22,333	28,576	16,726	21,570	3,762	4,651	1,811	2,329	34	26
Selling expenses	-9,718	-9,993	-7,719	-8,053	-1,509	-1,479	-572	-616	82	155
General administrative expenses	-2,477	-2,529	-1,385	-1,481	-229	-257	-729	-755	-134	-36
Research and non-capitalized development costs	-6,055	-5,580	-5,618	-5,187	-471	-433	-	-	34	40
Other income/expense	1,737	3,125	1,560	1,611	-244	450	180	176	241	888
EBIT	5,820	13,599	3,564	8,460	1,309	2,932	690	1,134	257	1,073
Legal proceedings (and related measures)	418	-236	2	-133	-8	-107	422	-	2	4
Restructuring measures	1,616	350	1,191	350	89	-	155	-	181	-
thereof optimization programmes	1,616	-	1,191	-	89	-	155	-	181	-
thereof expenses related to shares in ACC	-	350	-	350	-	-	-	-	-	-
M&A transactions	381	-	16	-	365	-	-	-	-	-
thereof future structure of Own Retail in Germany	-17	-	-5	-	-12	-	-	-	-	-
thereof sale of production and sales capacities in Argentina	398	-	21	-	377	-	-	-	-	-
Adjusted EBIT	8,235	13,713	4,773	8,677	1,755	2,825	1,267	1,134	440	1,077
Return on sales/return on equity (in %)¹			3.7	7.9	7.6	15.2	5.3	8.7		
Adjusted return on sales/return on equity (in %)¹			5.0	8.1	10.2	14.6	9.7	8.7		

¹ (Adjusted) return on sales of the segments Mercedes-Benz Cars and Mercedes-Benz Vans is calculated as the ratio of (adjusted) EBIT to revenue. The (adjusted) return on equity of the segment Mercedes-Benz Financial Services is determined as the ratio of (adjusted) EBIT to the average equity of each quarter.



Cash Flows, Liquidity and Capital Resources

Principles and objectives of financial management

Financial management at the Mercedes-Benz Group consists of capital structure management, cash and liquidity management, market-price risk management (foreign exchange rates and interest rates), as well as pension-asset management and credit and country risk management. Worldwide financial management is performed centrally by the Mercedes-Benz Treasury within a framework of policies, limits and benchmarks.

Capital structure management designs the Group's capital structure. Decisions regarding the capitalization of the Mercedes-Benz Group companies are based on the principles of cost-optimized and risk-optimized liquidity and capital resources.

Liquidity management aims to ensure the Group can meet its payment obligations at any time. For this purpose, the Group records the cash flows from operating and financial activities in a rolling plan. The resulting financial requirements are covered by the use of appropriate instruments such as bank credit, commercial paper and bonds. Liquidity surpluses are invested in the money market or the capital market taking into account risk and return expectations. In addition to operational liquidity, securitizable

receivables, a contractually confirmed syndicated credit facility as well as shares in Daimler Truck Holding AG are available as current liquidity reserves.

Cash management serves the central control of group-wide cash flows. Cash requirements and surpluses are systematically recorded and liquidity is in general centrally concentrated on bank accounts of the Mercedes-Benz Group in various currencies. Internal clearing accounts are used to reduce external cash flows to a minimum.

Management of market-price risks aims to limit the impact of fluctuations in foreign exchange rates and interest rates on net profit. The Group's overall exposure to these risks is systematically determined in order to provide a basis for hedging strategies which are managed centrally by a treasury committee. These include the volume to be hedged, the period to be hedged and the choice of hedging instruments.

Management of pension assets (plan assets) includes the investment of the assets to cover the corresponding pension obligations. The plan assets are legally separated from the Group's assets, invested primarily in funds and spread across a broad range of categories such as equities, bonds, alternative investments and real estate, taking risk-return optimization into account. The performance of the asset management is measured by comparison with defined benchmarks. Additional information on pension and similar obligations as well as on plan assets is

provided in [Note 22](#) in the chapter "[Notes to the Consolidated Financial Statements](#)" of the Consolidated Financial Statements.

Credit risk management manages default risks arising from creditor positions with financial institutions, issuers of securities, business customers and private customers worldwide. The management of these credit risks is based on an internal limit system, risk-based creditworthiness analyses and a group-wide credit assessment and monitoring process. In export business, collaterals such as bank guarantees are used when necessary. The credit risk with end customers in the financial services business is managed by Mercedes-Benz Financial Services on the basis of a standardized risk-management process. This process defines minimum requirements for the sales-financing and leasing business and standards for risk identification, credit assessment and portfolio management.

Country risk management assesses political and economic risks arising from cross-border activities. An internal Group rating system assigns the countries to risk categories. Risks are managed through instruments such as letters of credit, guarantees and internal limits on currency exposures in high-risk countries.

Further information on the management of market-price risk, credit risk and liquidity risk is provided in [Note 32](#) in the chapter "[Notes to the Consolidated Financial Statements](#)" of the Consolidated Financial Statements.

**Condensed Consolidated Statement of Cash flows**

	Mercedes-Benz Group		Industrial Business		Mercedes-Benz Financial Services	
	2025	2024	2025	2024	2025	2024
In millions of euros						
Cash and cash equivalents at beginning of year	14,516	15,972	11,525	13,117	2,991	2,855
thereof cash and cash equivalents classified as assets held for sale at beginning of year	5	10	1	10	4	-
Profit before income taxes	6,284	14,147	5,595	13,014	689	1,133
Depreciation and amortization/impairments	7,223	6,772	7,102	6,667	121	105
Other non-cash expense and income and gains/losses from disposals of non-current assets	-1,139	-1,344	-1,241	-1,377	102	33
Change in operating assets and liabilities						
Inventories	724	737	575	829	149	-92
Trade receivables and trade payables	895	-1,199	909	-1,336	-14	137
Receivables from financial services	5,828	3,280	-351	56	6,179	3,224
Vehicles on operating leases	-4,060	-3,110	413	825	-4,473	-3,935
Other operating assets and liabilities	2,585	986	2,298	787	287	199
Dividends received from equity-method investments	1,330	1,918	1,330	1,918	-	-
Income taxes paid/refunded	-1,664	-4,452	-1,804	-3,894	140	-558
Cash flow from operating activities	18,006	17,735	14,826	17,489	3,180	246
Acquisitions of property, plant and equipment and intangible assets	-9,742	-8,665	-9,523	-8,539	-219	-126
Acquisitions of and cash inflows from disposals of shareholdings and other business operations	109	353	80	588	29	-235
Acquisitions of and cash inflows from sales of marketable debt securities and similar investments	254	-625	275	-700	-21	75
Other cash flows	179	187	609	212	-430	-25
Cash flow from investing activities	-9,200	-8,750	-8,559	-8,439	-641	-311
Change in financing liabilities	-5,930	-188	-5,852	1,753	-78	-1,941
Dividends paid	-4,323	-5,725	-4,286	-5,679	-37	-46
Acquisition of treasury shares	-360	-4,921	-360	-4,921	-	-
Other cash inflows	160	82	71	77	89	5
Internal equity and financing transactions	-	-	3,163	-2,162	-3,163	2,162
Cash flow from financing activities	-10,453	-10,752	-7,264	-10,932	-3,189	180
Effect of foreign exchange-rate changes on cash and cash equivalents	-593	311	-532	290	-61	21
Cash and cash equivalents at end of year	12,276	14,516	9,996	11,525	2,280	2,991
thereof cash and cash equivalents classified as assets held for sale at end of year	22	5	-122	1	144	4



Free cash flow of the industrial business

The free cash flow of the industrial business is derived from the cash flows from operating and investing activities.

The cash flows from acquisitions and sales of marketable debt securities and similar investments included in cash flow from investing activities are deducted, as those securities are allocated to liquidity and changes in them are thus not a part of the free cash flow of the industrial business.

On the other hand, effects in connection with the recognition and measurement of right-of-use assets, which result from lessee accounting and are largely non-cash items, are included in the free cash flow of the industrial business.

Other adjustments relate to effects from loans to subsidiaries, financing of the Group's own dealerships, and internal deposits within the Group. In addition, the calculation of the free cash flow of the industrial business includes the cash flows to be shown under cash flow from financing activities in connection with the acquisition or disposal of interests in subsidiaries without loss of control.

Free cash flow of the industrial business

	2025	2024	25/24
In millions of euros			Change
Cash flow from operating activities	14,826	17,489	-2,663
Cash flow from investing activities	-8,559	-8,439	-120
Change in marketable debt securities and similar investments	-275	700	-975
Right-of-use assets	-344	-430	+86
Other adjustments	-234	-168	-66
Free cash flow of the industrial business	5,414	9,152	-3,738

In 2025, the free cash flow of the industrial business amounted to €5.4 billion and was thus significantly lower than the previous year's figure of €9.2 billion.

The decrease in the free cash flow of the industrial business by €3.8 billion to €5.4 billion compared to the previous year is characterized in particular by a decline in profit before income taxes adjusted for non-cash effects. This was partly offset by lower income taxes paid than in the previous year.

Furthermore, higher investments in property, plant and equipment had a negative effect on the free cash flow of the industrial business.

In addition, there was a negative effect on the free cash flow of the industrial business from vehicles on operating leases and from receivables from financial services compared to the prior year.

During the reporting period, a positive effect resulted from the development of the working capital, mainly due to a slight increase in trade payables, which had declined sharply in the prior-year period. Furthermore, a more significant decrease in trade receivables positively impacted the free cash flow of the industrial business during the reporting period. Conversely, a lower reduction in inventories compared to the prior-year period had an opposing effect.

Further positive effects resulted from changes in other operating assets and liabilities, in particular from the increase in liabilities and provisions in connection with measures to reduce personnel costs.



As well as being calculated on the basis of the disclosed cash flows from operating and investing activities, the free cash flow of the industrial business can also be calculated on the basis of the cash flows before interest and taxes (CFBIT) of the automotive segments. The reconciliation from the CFBIT of the automotive segments to the free cash flow of the industrial business includes the sum of receipts and payments of income taxes and interest of the industrial business. The other reconciling items primarily comprise eliminations between the segments and items that are allocated to the industrial business but for which the automotive segments are not responsible.

The adjustments from legal proceedings include payments by the industrial business in connection with governmental and court proceedings and measures taken relating to Mercedes-Benz diesel vehicles. The adjustments from restructuring measures include payments related to the workforce adjustment programme for employees in indirect areas in Germany and optimization programmes abroad in the reporting year. The adjustments from M&A transactions include payments in connection with the review of the future structure of Own Retail in Germany. The adjusted free cash flow of the industrial business amounted to a total of €5.9 billion (2024: €9.4 billion).

Reconciliation from CFBIT to the free cash flow of the industrial business

	2025	2024
In millions of euros		
CFBIT Mercedes-Benz Cars	5,227	8,963
CFBIT Mercedes-Benz Vans	951	2,705
Income taxes paid/refunded	-1,804	-3,894
Interest paid/received	550	629
Other reconciling items	490	749
Free cash flow of the industrial business	5,414	9,152
Legal proceedings (and related measures)	190	269
Restructuring measures	338	-
M&A transactions	-86	-
Adjusted free cash flow of the industrial business	5,856	9,421

Free cash flow of the Mercedes-Benz Group

In 2025, the **free cash flow of the Mercedes-Benz Group** resulted in a cash inflow of €8.3 billion (2024: €9.4 billion). The decrease in the free cash flow of the Mercedes-Benz Group was mainly attributable to the lower free cash flow of the industrial business compared to the prior year. This was partly offset by the year-on-year increase in free cash flow from Mercedes-Benz Financial Services, which resulted mainly from a more significant decrease in receivables from financial services.

Cash flow from financing activities of the Mercedes-Benz Group

A cash outflow of €10.5 billion (2024: €10.8 billion) resulted from the cash flow from financing activities during the reporting period. The lower cash outflow relative to the same period of the prior year is primarily due to lower payments of €0.3 billion (2024: €4.8 billion) made in connection with the share buy-back programme as well as the lower dividend payment to the shareholders of Mercedes-Benz Group AG. This was partly offset by lower net refinancing compared to the previous year.



CFBIT and cash conversion rate of the automotive segments

The CFBIT of the automotive segments is derived from the EBIT and the change in net assets, and also includes additions to the right-of-use assets.

The line "Other" was primarily affected by dividend payments from equity-method investments, payments for the settlement of payables and provisions recognized in previous years through profit or loss, and the adjustment of non-cash income and expense included in EBIT.

Mercedes-Benz Cars achieved an adjusted cash conversion rate of 1.2 (2024: 1.0). Mercedes-Benz Vans achieved an adjusted cash conversion rate of 0.6 (2024: 1.0).

Reconciliation from EBIT to adjusted CFBIT

	Mercedes-Benz Cars		Mercedes-Benz Vans	
	2025	2024	2025	2024
In millions of euros				
EBIT	3,564	8,460	1,309	2,932
Change in working capital	1,217	-470	268	-43
Net financial investments	5	134	73	61
Net investments in property, plant and equipment and intangible assets	-7,609	-7,636	-2,105	-1,173
Depreciation and amortization/impairments	6,431	6,138	660	520
Other	1,619	2,337	746	408
CFBIT	5,227	8,963	951	2,705
Legal proceedings (and related measures)	97	132	91	133
Restructuring measures	276	-	21	-
M&A transactions	-65	-	-21	-
Adjusted CFBIT	5,535	9,095	1,042	2,838
Adjusted EBIT	4,773	8,677	1,755	2,825
Adjusted cash conversion rate¹	1.2	1.0	0.6	1.0

1 The adjusted cash conversion rate is the ratio of adjusted CFBIT to adjusted EBIT.

Net liquidity and net debt

The **net liquidity of the industrial business** is calculated as the total amount as shown in the statement of financial position of cash, cash equivalents and the marketable debt securities and similar investments included in liquidity management, less the nominal amounts of financing liabilities.

Net liquidity of the industrial business¹

	31 December		
	2025	2024	25/24
In millions of euros			
			Change
Cash and cash equivalents	9,996	11,525	-1,529
Marketable debt securities and similar investments	6,683	6,874	-191
Liquidity	16,679	18,399	-1,720
Financing liabilities	15,643	13,437	+2,206
Liabilities from refinancing of the Group's own dealerships	-9	-59	+50
Market valuation and currency hedges for financing liabilities	-151	-360	+209
Financing liabilities (nominal)	15,483	13,018	+2,465
Net liquidity	32,162	31,417	+745

1 Including net liquidity held for sale.



To the extent that the Group's internal refinancing of the financial services business is provided by the companies of the industrial business, this amount is deducted by an elimination in the financing liabilities in the calculation of the net debt of the industrial business. This led to negative financing liabilities in the industrial business in both the reporting year and the prior year, so that the financing liabilities are shown in the table "Net liquidity of the industrial business" with a positive effect on net liquidity.

Since 31 December 2024, the net liquidity of the industrial business has increased by €0.7 billion to €32.2 billion. The increase is mainly due to the positive free cash flow of the industrial business. This was partially offset by the dividend payment made to the shareholders of Mercedes-Benz Group AG and by payments in the context of the share buyback programme.

Net debt at the Group level, which primarily results from refinancing the leasing and sales-financing business, decreased compared with 31 December 2024 by €10.1 billion to €80.8 billion. The derivation of net debt is shown in the following table. After taking exchange-rate effects into account, the cash and cash equivalents have decreased by €2.2 billion since 31 December 2024. Total liquidity, which also includes marketable debt securities and similar investments, decreased by €2.4 billion to €19.8 billion.

	31 December		
	2025	2024	25/24
In millions of euros			Change
Cash and cash equivalents	12,276	14,516	-2,240
Marketable debt securities and similar investments	7,566	7,730	-164
Liquidity	19,842	22,246	-2,404
Financing liabilities	-100,506	-112,825	+12,319
Market valuation and currency hedges for financing liabilities	-153	-359	+206
Financing liabilities (nominal)	-100,659	-113,184	+12,525
Net debt	-80,817	-90,938	+10,121

1 Including net debt held for sale.

Contingent liabilities and other financial obligations

At 31 December 2025, the best estimate for **contingent liabilities** was €3.2 billion (2024: €2.8 billion). The contingent liabilities are related to legal proceedings, to the potential provision of financial support to associated companies, to product warranties and to other risks. Further information on the legal proceedings is provided in [Note 29](#) and information on the potential provision of financial support to joint ventures is provided in [Note 36](#) in the chapter "Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements.

In the context of its ordinary business activities, the Group has also entered into **other financial obligations** in addition to the liabilities shown in the Consolidated Statement of Financial Position at 31 December 2025. These financial obligations result from contractual commitments to acquire intangible assets; property, plant and equipment; equipment on operating leases and irrevocable loan commitments.

Detailed information on contingent liabilities and other financial obligations is provided in [Note 30](#) in the chapter "Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements.



Refinancing

The funds raised by the Mercedes-Benz Group in the year 2025 primarily served to refinance the leasing and sales-financing business. For that purpose, the Mercedes-Benz Group made use of a broad spectrum of various financing instruments in various currencies and markets. They included bank loans, commercial paper in the money market, bonds, promissory-note loans and the securitization of receivables in the financial services business (asset-backed securities).

Various issuance programmes are available for raising longer-term funds in the capital market. They include for example the “Euro Medium Term Notes (EMTN) programme” with a total volume of €70.0 billion, under which Mercedes-Benz Group AG and several subsidiaries can issue **bonds** in various currencies. In addition, other local capital-market programmes exist, which are significantly smaller than the EMTN programme. Capital-market programmes allow flexible, repeated access to the capital markets.

The situation in the bond markets during the reporting year was influenced by the steepening of yield curves, lower but fragile inflation, sometimes high volatility and political issues and trade disputes.

In the reporting period, the Group covered its refinancing requirements through the issuance of bonds and other means. As can be seen in the following table they included so-called benchmark issuances (syndicated bonds with a high nominal volume) by Mercedes-Benz Finance North America LLC in the US-dollar area and Mercedes-Benz International Finance B.V. in the euro area.

Benchmark issuances

	Volume	Month of issuance	Maturity
Issuer			
Mercedes-Benz Finance North America LLC			
	USD 1,200 million	04/2025	04/2027
	USD 900 million	04/2025	03/2028
	USD 450 million	04/2025	04/2030
	USD 300 million	04/2025	04/2035
Mercedes-Benz International Finance B.V.			
	EUR 650 million	06/2025	09/2028
	EUR 500 million	06/2025	09/2031

The Mercedes-Benz Group also issued **commercial paper** in 2025.

In addition, **asset-backed securities (ABS) transactions** with a total financing volume equivalent to €10.2 billion (2024: €14.0 billion) were carried out during the reporting period. Repayments during the reporting period amounted to €10.7 billion (2024: €11.9 billion). In 2025, the ABS transactions were conducted in Germany, the United States, the United Kingdom, China, Australia as well as Japan and included both new and extended financing transactions.

Bank loans were also another important source of refinancing in 2025. These loans were provided by globally active banks as well as by banks operating nationally.

The syndicated **credit line** of €11.0 billion had not been utilized as of the reporting date.

At 31 December 2025, the total of financing liabilities shown in the Consolidated Statement of Financial Position amounted to €100.0 billion (2024: €112.8 billion). These financial liabilities were primarily denominated in the following currencies: 41% in euros, 31% in US dollars and 8% in Chinese renminbi.



The carrying amounts of the main **refinancing instruments** and the volume-weighted average interest rates are shown in the following table.

Refinancing instruments	Average interest rates		Carrying amounts	
	31 December		31 December	
	2025	2024	2025	2024
	In %		In millions of euros	
Notes/bonds and liabilities from ABS transactions	3.53	3.70	71,039	81,085
Liabilities to financial institutions	4.74	5.05	24,427	26,315
Deposits in the direct banking business	4.19	4.15	1,562	1,557

Detailed information on the amounts and terms of the main items of financing liabilities is provided in [Note 24](#) and [Note 32](#) in the chapter “Notes to the Consolidated Financial Statements” of the Consolidated Financial Statements. [Note 32](#) of the Notes to the Consolidated Financial Statements also provides information on the maturities of the other financial liabilities.

Rating

The **credit rating** of Mercedes-Benz Group AG remained unchanged in 2025. In the course of the year, the rating agencies S&P Global Ratings (S&P), Moody’s Ratings (Moody’s) and Morningstar DBRS (DBRS) re-affirmed their long-term and short-term ratings for the Group. On 1 August 2025, S&P revised its outlook to “negative”, followed by DBRS, which also changed its outlook from “stable” to “negative” on 14 November 2025. Moody’s, in contrast, maintained a “stable” outlook through the end of 2025.

The Group’s strong single A rating once again supported the refinancing on the international money and capital markets.

	Credit rating	
	End of 2025	End of 2024
Long-term credit rating		
S&P	A	A
Moody’s	A2	A2
DBRS	A	A
Short-term credit rating		
S&P	A-1	A-1
Moody’s	P-1	P-1
DBRS	R-1 (low)	R-1 (low)

For the **ESG rating**, agencies such as Morgan Stanley Capital International (MSCI ESG), Sustainalytics, Institutional Shareholder Services (ISS ESG) and formerly Carbon Disclosure Project (CDP) in particular are important players on the capital market and serve as an additional decision-making aid for financial institutions in the sustainability-oriented investment process.

The ESG rating agencies MSCI ESG, Sustainalytics and ISS ESG ranked the Mercedes-Benz Group among the top companies rated in the automotive sector. Additionally, the Mercedes-Benz Group once again participated in the CDP Climate rating during the reporting year and reached a leadership score of A-.

ESG rating	End of 2025		End of 2024	
MSCI ESG		A		A
Sustainalytics		Low Risk		Low Risk
ISS ESG		C+ Prime		C+ Prime
CDP Climate Rating		A-		A-



Financial Position

The Group's **balance sheet total** amounted to €255.5 billion, slightly below the previous year's level (2024: €265.0 billion); exchange-rate effects totalled minus €11.2 billion.

In the year 2025, the **assets held for sale** of €11.0 billion and the **liabilities held for sale** of €1.3 billion were mainly related to the planned sale of the Athlon Group companies as well as the planned sale of shares in Daimler Truck Holding AG. Further Information on the assets and liabilities held for sale is provided in [Note 3](#) in the chapter "[Notes to the Consolidated Financial Statements](#)" of the Consolidated Financial Statements.

Condensed Consolidated Statement of Financial Position

	Mercedes-Benz Group		Industrial Business		Mercedes-Benz Financial Services	
	2025	31 December 2024	2025	31 December 2024	2025	31 December 2024
In millions of euros						
Assets						
Intangible assets	20,547	19,436	20,102	18,877	445	559
Property, plant and equipment including right-of-use assets	27,340	26,537	26,985	26,210	355	327
Equipment on operating leases	39,472	45,220	15,331	14,698	24,141	30,522
Receivables from financial services	76,289	87,867	241	-119	76,048	87,986
Equity-method investments	10,037	12,786	9,730	12,461	307	325
Inventories	23,933	26,234	23,793	25,786	140	448
Trade receivables	5,851	6,973	5,354	6,418	497	555
Cash and cash equivalents	12,254	14,511	10,118	11,524	2,136	2,987
Marketable debt securities and similar investments	7,566	7,730	6,683	6,874	883	856
Other financial assets	5,805	5,888	-10,865	-10,436	16,670	16,324
Other assets	15,359	11,668	8,619	3,393	6,740	8,275
Assets held for sale	11,013	160	994	73	10,019	87
Total assets	255,466	265,010	117,085	115,759	138,381	149,251

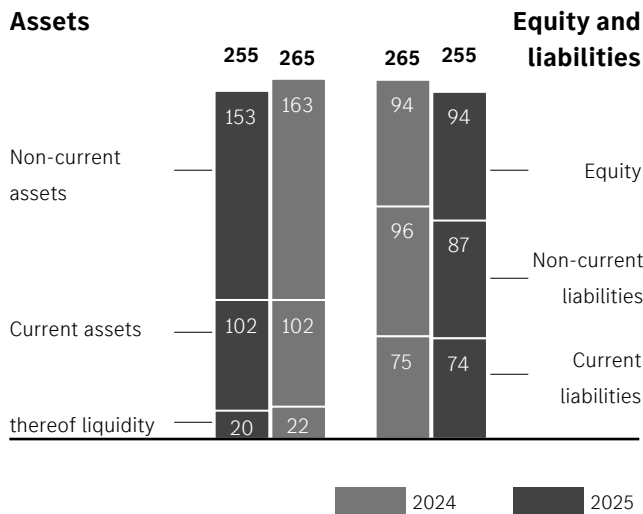


	Mercedes-Benz Group		Industrial Business		Mercedes-Benz Financial Services	
	31 December		31 December		31 December	
	2025	2024	2025	2024	2025	2024
In millions of euros						
Equity and liabilities						
Equity	94,240	93,630	82,187	80,268	12,053	13,362
Provisions	16,265	15,972	15,201	15,218	1,064	754
Financing liabilities	100,006	112,798	-7,932	-13,399	107,938	126,197
Trade payables	10,665	11,312	9,913	10,104	752	1,208
Other financial liabilities	5,555	5,561	3,215	3,053	2,340	2,508
Contract and refund liabilities	10,897	11,246	10,639	10,935	258	311
Other liabilities	16,498	14,445	11,608	9,599	4,890	4,846
Liabilities held for sale	1,340	46	-7,746	-19	9,086	65
Total equity and liabilities	255,466	265,010	117,085	115,759	138,381	149,251

The share of current assets in the balance sheet total was 40%, slightly above the previous year's level of 38%. The share of current liabilities in the balance sheet total was 29%, slightly above the previous year's level of 28%.

Balance sheet structure Mercedes-Benz Group

In billions of euros



Before eliminations between segments, Mercedes-Benz Financial Services accounted for €138.4 billion (2024: €149.3 billion) of the balance sheet total. Intra-Group eliminations between the industrial business and Mercedes-Benz Financial Services regarding the balance sheet are allocated to the industrial business. The reported size of the industrial business is determined by generally subtracting the unconsolidated balance sheet total of Mercedes-Benz Financial Services from the consolidated balance sheet total of the Group. Consequently, intra-Group matters relating to the relationship between the industrial business and Mercedes-Benz Financial Services are generally allocated to Mercedes-Benz Financial Services and included in its balance sheet. This method of presentation reduces the balance sheet total of the industrial business. Hence the share of the Mercedes-Benz Financial Services balance sheet total in the Consolidated Statement of Financial Position is shown as being higher than would be the case if Mercedes-Benz Financial Services were presented on a consolidated basis.



Assets

The **intangible assets** of €20.5 billion (2024: €19.4 billion) particularly include €18.5 billion of capitalized development costs (2024: €17.2 billion). A share of €16.4 billion (2024: €15.6 billion) of the development costs was attributable to the Mercedes-Benz Cars segment and €2.1 billion (2024: €1.6 billion) to the Mercedes-Benz Vans segment. The increase in capitalized development costs is mainly attributable to development work for the platform generations geared towards electric mobility.

The **property, plant and equipment** shown in the balance sheet with a carrying amount of €27.3 billion (2024: €26.5 billion) also include right-of-use assets acquired by the Group as a lessee.

Equipment on operating leases decreased to a total of €39.5 billion (2024: €45.2 billion). Adjusted for currency translation effects, there was a decrease of €3.5 billion. The decrease in the number of rented items is largely due to the reclassification of the Athlon Group's rental vehicles into assets intended for sale. A portfolio increase, especially in the United States, had a counteracting effect.

Receivables from financial services decreased to €76.3 billion (2024: €87.9 billion), primarily due to currency effects and the decline in sales financing with dealers and customers, especially in the United States and China. Adjusted for currency translation effects, there was a decrease of €6.4 billion.

The share of leasing and sales financing business in the balance sheet total decreased from 50% to 45%.

Equity-method investments decreased to €10.0 billion (2024: €12.8 billion). These include in particular the book values of the investments in Daimler Truck Holding AG and Beijing Benz Automotive Co., Ltd. The decrease is mainly due to the reclassification of parts of the shareholding in Daimler Truck Holding AG into assets intended for sale.

Inventories decreased from €26.2 billion to €23.9 billion. Adjusted for currency translation effects, there was a decrease of €1.0 billion. The decline particularly affects finished goods, spare parts and merchandise.

At €5.9 billion, **trade receivables** were slightly lower than the prior-year-figure of €7.0 billion, primarily due to lower Group sales.

Compared to 31 December 2024, **cash and cash equivalents** decreased by €2.3 billion to €12.3 billion.

Marketable debt securities and similar investments remained at the previous year's level of €7.6 billion (2024: €7.7 billion). These assets include the debt instruments that are allocated to liquidity, most of which are traded in active markets. They generally have an external rating of A or better.

The **other financial assets** consisting mainly of derivative financial instruments, equity instruments and debt instruments, shares in non-consolidated subsidiaries, and loans and other receivables from third parties amounted to €5.8 billion (2024: €5.9 billion).

The **other assets** increased to €15.4 billion (2024: €11.7 billion). They mainly include deferred tax assets, assets from defined benefit pension plans, tax refund claims and deferred income. The increase was mainly due to the positive development of assets from defined benefit pension plans and higher deferred tax assets.



Equity and liabilities

Compared to 31 December 2024, the Group's **equity** increased slightly, from €93.6 billion to €94.2 billion. The share of the balance sheet total increased to 37% (2024: 35%). The slight increase in equity was due to the positive net profit of €5.3 billion, while opposing effects arose from the dividend of €4.3 billion paid to the shareholders of Mercedes-Benz Group AG and the acquisition of treasury shares in the amount of the total purchase price of €0.4 billion. Equity attributable to the shareholders of Mercedes-Benz Group AG increased accordingly to €93.3 billion (2024: €92.6 billion).

The Group's **equity ratio** of 35.6% was slightly above the prior-year level of 33.8%; the equity ratio for the industrial business was 67.3% (2024: 65.8%). It is necessary to take into account the fact that the equity ratios in the years 2024 and 2025 were adjusted for the paid and proposed dividend payments respectively.

Provisions amounted to €16.3 billion (2024: €16.0 billion), the same level as the previous year. Of this, €7.1 billion (2024: €6.9 billion) was attributable to product warranties and €3.8 billion (2024: €4.2 billion) to personnel and social costs.

Financing liabilities of €100.0 billion were below the €112.8 billion of the previous year. Adjusted for currency translation effects, there was a decrease of €6.6 billion. Of the financing liabilities, 55% relate to bonds, 24% were liabilities to financial institutions, 16% were liabilities from ABS transactions, 2% were lease liabilities and 2% were deposits in the direct banking business. The decrease is mainly due to lower volumes of notes/bonds, ABS transactions and liabilities to financial institutions. The reclassification of the Athlon Group's financing liabilities into debt held for sale reduced the Group's financing liabilities by €0.5 billion. This reduction amounted to €8.2 billion in the Mercedes-Benz Financial Services segment, while an increase of €7.7 billion in the industrial business had a counteracting effect.

Other financial liabilities amounted to €5.6 billion (2024: €5.6 billion), the same level as the previous year. These liabilities primarily include those arising from payroll, residual value guarantees, received security deposits, and derivative financial instruments. Increased payroll liabilities were offset by lower liabilities from derivative financial instruments.

Contract and refund liabilities of €10.9 billion were slightly below the €11.2 billion of the previous year. They include in particular obligations from sales transactions that are within the scope of IFRS 15 as well as deferred revenue from service and maintenance contracts and extended warranties.

Other liabilities of €16.5 billion (2024: €14.4 billion) primarily include deferred taxes, tax liabilities and pre-paid expenses. The increase mainly affects deferred taxes, and also liabilities arising from income taxes.

Further information on the assets presented in the statement of financial position and on the Group's equity and liabilities is provided in the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, and the related Notes to the Consolidated Financial Statements.



Investment and Research activities

Investments in property, plant and equipment

During the year under review, investments in property, plant and equipment at the **Mercedes-Benz Group** amounted to €5.5 billion and were thus higher than in the previous year (2024: €4.0 billion).

Investments in property, plant and equipment ¹			
	2025	2024	25/24
In millions of euros			% change
Mercedes-Benz Group	5,482	4,039	+36
thereof Mercedes-Benz Cars	4,074	3,392	+20
thereof Mercedes-Benz Vans	1,233	571	+116

¹ The investments in property, plant and equipment correspond to additions to property, plant and equipment in the Consolidated Statement of Cash Flows in the Consolidated Financial Statements.

In 2025, investments in property, plant and equipment at **Mercedes-Benz Cars** focused on the introduction of derivatives of the two new drive-flexible (MMA) and electric (MB.EA) architectures. At €4.1 billion, investments in property, plant and equipment in 2025 were above the previous year's level (2024: €3.4 billion).

Investments in property, plant and equipment at **Mercedes-Benz Vans** amounted to €1.2 billion in 2025 (2024: €0.6 billion), significantly above the prior-year level. The main areas of investments were the planned transformation of the Mercedes-Benz Vans fleet and the expansion of the Vans plants.

Research and development

Research and development expenditure at the **Mercedes-Benz Group** amounted to €9.7 billion in 2025 (2024: €9.7 billion), which was on the same level as in the previous year. A total of €3.6 billion (2024: €4.1 billion) of the research and development costs was capitalized, which corresponds to a capitalization rate of 37% (2024: 43%).

Research and development			
	2025	2024	25/24
In millions of euros			% change
Research and development expenditure	9,680	9,717	-
thereof Mercedes-Benz Cars	8,585	8,744	-2
thereof Mercedes-Benz Vans	1,129	1,012	+12
Research and non-capitalized development costs	6,055	5,580	+9
Capitalized development costs	3,625	4,137	-12
Capitalization rate in %	37	43	

Research and development expenditure at **Mercedes-Benz Cars** amounted to €8.6 billion and was thus at the same level as in the previous year (2024: €8.7 billion). In this context, declining capitalization was offset by higher research and non-capitalized development costs.

The decreased capitalization due to the market launch of the CLA based on the new flexible drive architecture (MMA) in the first quarter of 2025 exceeded the higher capitalization related to the MB.EA vehicle architectures. The increase of the research and non-capitalized development costs is mainly due to expenses from the optimization programme "Next Level Performance" launched in April.

Research and development expenditure at **Mercedes-Benz Vans** amounted to €1.1 billion in 2025 (2024: €1.0 billion), exceeding the prior-year figure. The focus was on the transition of the Vans fleet to the modular and flexible drive Vans architecture.



Net assets and Value added

Net assets at year-end

	Mercedes-Benz Group		thereof Mercedes-Benz Cars		thereof Mercedes-Benz Vans	
	31 December		31 December		31 December	
	2025	2024	2025	2024	2025	2024
In millions of euros						
Intangible assets ¹	20,102	18,877	17,657	17,048	2,408	1,823
Property, plant and equipment including right-of-use assets ¹	26,985	26,210	23,851	23,849	3,095	2,332
Equipment on operating leases ¹	15,331	14,698	12,976	13,071	2,626	2,215
Inventories ¹	23,793	25,786	21,158	22,836	2,655	2,981
Trade receivables ¹	5,354	6,418	4,401	5,382	947	1,030
Other financial assets ¹	-11,813	-10,362	2,214	2,547	170	251
Other segment assets ¹	9,656	9,691	7,384	7,632	631	778
Income tax assets ¹	6,304	3,867	-	-	-	-
Segment assets of Mercedes-Benz Financial Services	138,381	149,251	-	-	-	-
Segment assets	234,093	244,436	89,641	92,365	12,532	11,410
thereof assets held for sale	11,136	158	82	52	27	15
Provisions for other risks ¹	14,362	14,248	11,260	11,253	3,437	3,303
Trade payables ¹	9,913	10,104	8,618	8,848	1,287	1,260
Other financial liabilities ¹	4,027	3,185	19,434	19,242	3,911	3,275
Contract and refund liabilities ¹	10,639	10,934	9,228	9,555	1,481	1,423
Other segment liabilities ¹	725	752	1,969	2,086	394	541
Income tax liabilities ¹	9,952	7,827	-	-	-	-
Segment liabilities of Mercedes-Benz Financial Services	126,328	135,889	-	-	-	-
Segment liabilities	175,946	182,939	50,509	50,984	10,510	9,802
thereof liabilities held for sale	9,050	9	1	17	-	3
Net assets	58,147	61,497	39,132	41,381	2,022	1,608

¹ To the extent not allocated to Mercedes-Benz Financial Services.



The **net assets** of the Mercedes-Benz Cars and Mercedes-Benz Vans segments exclude assets and liabilities from income taxes, assets and liabilities related to pension and similar obligations, and certain financial instruments (including liquidity and financing liabilities) because these items are not within their area of responsibility.

The assets and liabilities of the Mercedes-Benz Financial Services segment include all assets and liabilities, as this segment is managed on an equity basis.

Net assets at the Group level include the net operating assets of the automotive segments and the equity of Mercedes-Benz Financial Services, as well as assets and liabilities from income taxes and other reconciling items which are not allocated to the divisions.

Value added is calculated as the difference between the measure of earnings and the cost of capital. The cost of capital used in the calculation of value added is based on average net assets multiplied by the cost of capital rate.

The ratio of earnings to net assets results in the profitability of net assets, i.e. the return on capital employed (return on net assets, RONA for the Group as well as for the Mercedes-Benz Cars and Mercedes-Benz Vans segments, or return on equity (ROE) for Mercedes-Benz Financial Services). The measure of earnings for the segments is EBIT and the measure for the Group is net operating profit, which in addition to the EBIT of the segments also includes earnings effects for which the segments are not accountable, such as income taxes and other reconciling items.

Reconciliation of the segments' EBIT to net operating profit

	2025	2024	25/24
In millions of euros			Change
Mercedes-Benz Cars ¹	3,564	8,460	-4,896
Mercedes-Benz Vans	1,309	2,932	-1,623
Mercedes-Benz Financial Services	690	1,134	-444
EBIT of the segments	5,563	12,526	-6,963
Other reconciling items	257	1,073	-816
EBIT			
Mercedes-Benz Group	5,820	13,599	-7,779
Income taxes ²	-818	-3,579	+2,761
Net operating profit			
Mercedes-Benz Group	5,002	10,020	-5,018

1 This also includes the effects from the intra-Group refinancing of the financial services business. Further information is provided in [Note 33](#) in the chapter "Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements.

2 Adjusted for after-tax interest income.

Net assets (average)

	2025	2024	25/24
In millions of euros			% change
Mercedes-Benz Cars	39,404	41,905	-6
Mercedes-Benz Vans	1,454	1,632	-11
Mercedes-Benz Financial Services ¹	13,002	12,993	-
Net assets of the segments	53,860	56,530	-5
Equity-method investment in Daimler Truck Holding AG ²	8,312	8,466	-2
Other equity-method investments ³	182	230	-21
Assets and liabilities from income taxes ⁴	-4,273	-4,717	-9
Other corporate items and eliminations	246	-19	-
Net assets Mercedes-Benz Group	58,327	60,490	-4

1 Equity.

2 This also includes the shares that were reclassified to the "Assets held for sale" item of the Consolidated Statement of Financial Position.

3 To the extent not allocated to the segments.

4 To the extent not allocated to Mercedes-Benz Financial Services.



Cost of capital rates	2025	2024
In %		
Group, after taxes	9.5	9.5
Automotive segments, before taxes	13.0	13.0
Mercedes-Benz Financial Services, before taxes	13.0	13.0

The value added of the **Mercedes-Benz Group** in the reporting year amounted to minus €0.5 billion, significantly below the value added of the prior year of €4.3 billion. This represents a return on net assets of 8.6% (2024: 16.6%), which was below the Group's required cost of capital rate of 9.5% (2024: 9.5%). The value added of the Mercedes-Benz Group decreased, mainly due to the negative earnings development of the segments. Average net assets fell to €58.3 billion.

At the **Mercedes-Benz Cars** segment, value added of minus €1.6 billion was significantly below the prior-year amount of €3.0 billion. RONA amounted to 9.0% (2024: 20.2%). This was primarily due to the negative earnings development. The segment's average net assets decreased by €2.5 billion compared to the prior year, mainly due to declining inventories.

The value added of the **Mercedes-Benz Vans** segment decreased from €2.7 billion to €1.1 billion. RONA amounted to 90.0% (2024: 179.7%). This was mainly due to the declining earnings performance. The average net assets decreased by €0.2 billion compared to the previous year. The reduction in working capital was partially offset by higher fixed assets resulting from investments in property, plant and equipment and higher capitalized development costs.

At the **Mercedes-Benz Financial Services** segment, value added amounted to minus €1.0 billion (2024: minus €0.6 billion). The segment's return on equity was 5.3% (2024: 8.7%). The development of the return on equity primarily reflects the decrease in earnings. The average amount of equity remained almost unchanged.

Value added	2025	2024	25/24
In millions of euros			Change
Mercedes-Benz Group	-539	4,273	-4,812
Mercedes-Benz Cars	-1,558	3,012	-4,570
Mercedes-Benz Vans	1,120	2,720	-1,600
Mercedes-Benz Financial Services	-1,000	-555	-445

Return on capital employed (RONA/ROE)	2025	2024
In %		
Mercedes-Benz Group (RONA)	8.6	16.6
Mercedes-Benz Cars (RONA)	9.0	20.2
Mercedes-Benz Vans (RONA)	90.0	179.7
Mercedes-Benz Financial Services (ROE)	5.3	8.7



Overall Assessment of the Financial Year

Mercedes-Benz Group

The development of the Mercedes-Benz Group's profitability, cash flows and financial position in 2025 was impacted by a challenging and highly competitive environment. The predicted revenue, which at the beginning of the year was expected to be slightly below the previous year's level, was adjusted during the year and, in accordance with the adjusted expectations, was significantly lower than the prior-year level at year-end. At the end of the year, EBIT and free cash flow of the industrial business were at the level expected at the beginning of the year, but significantly below the level of the previous year.

Mercedes-Benz Cars

In a challenging global market environment, Mercedes-Benz Cars' unit sales at the end of the year were significantly below the prior-year figure. At the beginning of the year, only a slight decrease compared to the prior year had initially been expected. Later in the year, the forecast was revised downwards due to market developments and the challenging competitive environment. The level of the adjusted forecast was subsequently achieved. The share of electrified vehicles in total unit sales was 20.5%, within the expected range of 20 to 22%.

Both the weaker than expected sales performance and the tariff duties, which were initially not taken into account in the forecast, led to an adjustment of the expected adjusted return on sales over the course of the year from 6 to 8% to 4 to 6%. At 5.0%, the adjusted return on sales at year-end was within the most recently expected range.

The adjusted cash conversion rate at year-end was 1.2, above the projected range.

Investments in property, plant and equipment were, as expected, significantly higher than in the previous year due to the introduction of the new flexible drive architectures. Research and development expenditures also corresponded to the forecast made at the beginning of the year and were at the same level as in the previous year.

Mercedes-Benz Vans

Market developments led to a decline in demand for Mercedes-Benz vans, resulting in unit sales significantly below the previous year's level. While only a slight decrease was expected at the beginning of the year, the forecast had to be adjusted downwards as the year progressed. The share of electrified vehicles in

total unit sales was 7.9% at the end of the year. A cautious acceptance in the first half of the year was largely offset in the second half of the year.

At the beginning of the year, an adjusted return on sales of between 10 and 12% was expected. During the year, the forecast was adjusted downwards to 8 to 10%. At year-end, the adjusted return on sales was 10.2%.

The adjusted cash conversion rate was 0.6, mainly due to a positive development in working capital. It was thus within the range of 0.6 to 0.8 that had already been upwardly adjusted during the year.

As expected, investments in property, plant and equipment, and research and development expenditure, were significantly higher than the previous year's level due to investments in the new Van Architecture.

Mercedes-Benz Financial Services

The adjusted return on equity at Mercedes-Benz Financial Services was above forecast at 9.7%, mainly due to a higher portfolio margin and cost improvements.

**Comparison between the figures forecast for 2025 and their actual development**

	Forecast for 2025 ¹	In-year adjustments	Actual development 2025		
Mercedes-Benz Group					
Revenue	Slightly below the prior-year level	Q2: Significantly below the prior-year level	€132,214 million	-9%	Significantly below the prior-year level
EBIT	Significantly below the prior-year level		€5,820 million	-57%	Significantly below the prior-year level
Free cash flow of the industrial business	Significantly below the prior-year level		€5,414 million	-41%	Significantly below the prior-year level
Mercedes-Benz Cars					
Unit sales	Slightly below the prior-year level	Q2: Significantly below the prior-year level	1,801,291 vehicles	-9%	Significantly below the prior-year level
Share of electrified vehicles (xEVs)	20–22%		20.5%		
Adjusted return on sales	6–8%	Q2: 4–6%	5.0%		
Adjusted cash conversion rate	0.9–1.1	Q2: 0.8–1.0 Q3: 0.9–1.1	1.2		
Investments in property, plant and equipment	Significantly above the prior-year level		€4,074 million	+20%	Significantly above the prior-year level
Research and development expenditure	At the prior-year level		€8,585 million	-2%	At the prior-year level
Mercedes-Benz Vans					
Unit sales	Slightly below the prior-year level	Q2: Significantly below the prior-year level	359,136 vehicles	-11%	Significantly below the prior-year level
Share of electrified vehicles (xEVs)	8–10%		7.9%		
Adjusted return on sales	10–12%	Q2: 8–10%	10.2%		
Adjusted cash conversion rate	0.5–0.7	Q3: 0.6–0.8	0.6		
Investments in property, plant and equipment	Significantly above the prior-year level		€1,233 million	+116%	Significantly above the prior-year level
Research and development expenditure	Significantly above the prior-year level		€1,129 million	+12%	Significantly above the prior-year level
Mercedes-Benz Financial Services					
Adjusted return on equity	8–9%		9.7%		

¹ Without taking into account tariff increases that came into effect on 11 March 2025.



Takeover-Relevant Information and Explanation

Report pursuant to Section 315a and Section 289a of the German Commercial Code (HGB)

Composition of share capital

The issued share capital of Mercedes-Benz Group AG amounted to approximately €3,070 million as of 31 December 2025. It is divided into 962,903,703 registered no-par-value shares, each of which computationally accounts for approximately €3.19 of the share capital. Pursuant to Section 67 Subsection 2 of the German Stock Corporation Act (AktG), rights and duties relating to the Company exist from the shares only for those persons and entities entered in the register of shareholders. With the exception of treasury shares, from which the Company does not have any rights, all shares confer equal rights to their holders.

The rights and obligations arising from the shares are derived from the provisions of applicable law, in particular Sections 12, 53a ff., 118 ff. and 186 of the German Stock Corporation Act (AktG). Each share of Mercedes-Benz Group AG confers the right to one vote and, if applicable, with the exception of any new shares potentially not entitled to dividends, to an equal portion of the profits in accordance with the dividend payout approved by the Annual General Meeting. The only exceptions here are the treasury shares held by the company. As of 31 December 2025, the company held 5.573.502 treasury shares.

Restrictions on voting rights and on the transfer of shares

The Company does not have any voting rights or other rights from treasury shares. In the cases described in Section 136 of the German Stock Corporation Act (AktG), the voting rights are excluded by law.

Shares of Mercedes-Benz Group AG acquired by employees under the employee share programme are subject to a lock-up period until the end of the second year following the year of acquisition. Eligible participants in the Performance Phantom Share Plans (PPSPs) of Executive Level 1 and eligible members of the Board of Management are obliged by the Plans' terms and conditions and by the Stock Ownership Guidelines to acquire the Company's shares with a part of their Plan income or out of their own funds up to a defined target volume. Eligible participants from Executive Level 1 are obliged to hold these shares for the duration of their employment at the Group. For eligible members of the Board of Management, the required retention period has been extended to two years after the end of their contract with effect from 1 January 2023.

Provisions of applicable law and of the articles of association concerning the appointment and dismissal of members of the Board of Management and concerning amendments to the articles of association

Members of the Board of Management are appointed and dismissed on the basis of Sections 84 and 85 of the German Stock Corporation Act (AktG) and Section 31 of the German Co-Determination Act (MitbestG). In accordance with Section 84 of the German Stock Corporation Act (AktG), the members of the Board of Management are appointed by the Supervisory Board for a maximum period of office of five years. The rules of procedure of the Supervisory Board stipulate that the initial appointment of members of the Board of Management is limited to three years. Reappointment or the extension of a period of office is permissible, in each case for a maximum of five years. Building on the standard retirement age set by the Supervisory Board (generally, the last possible appointment or reappointment is based on the completion of the 62nd year of age at the start of the (new) term of office), the Supervisory Board decided in 2022 to implement a further, flexible reduction in the term of office for appointments and reappointments from the age of 58 at the start of a term of office.



Pursuant to Section 31 of the German Co-Determination Act (MitbestG), the Supervisory Board appoints the members of the Board of Management with a majority comprising at least two thirds of its members' votes. If no such majority is obtained, the Mediation Committee of the Supervisory Board has to make a suggestion for the appointment within one month of the vote by the Supervisory Board in which the required majority was not reached. The Supervisory Board then appoints the members of the Board of Management with a majority of its members' votes. If no such majority is obtained, voting is repeated and the Chair of the Supervisory Board then has two votes. The same procedure applies for dismissals of members of the Board of Management.

In accordance with Article 5 of the articles of association, the Board of Management has at least two members. The number of members is decided by the Supervisory Board. Pursuant to Section 84 Subsection 2 of the German Stock Corporation Act (AktG), the Supervisory Board can appoint a member of the Board of Management as the Chairperson of the Board of Management. If a required member of the Board of Management is lacking, an affected party can apply in urgent cases for that member to be appointed by the court pursuant to Section 85 Subsection 1 of the German Stock Corporation Act (AktG). Pursuant to Section 84 Subsection 4 of the German Stock Corporation Act (AktG), the Supervisory Board can revoke the appointment of a member of the Board of Management and the appointment as the Chairperson of the Board of Management if there is an important reason to do so.

Pursuant to Section 179 of the German Stock Corporation Act (AktG), amendments to the articles of association require a resolution of the General Meeting and, in accordance with Section 181 Subsection 3 of the German Stock Corporation Act (AktG), such changes take effect upon being entered in the commercial register.

Amendments to the articles of association that only affect the wording can be decided upon by the Supervisory Board in accordance with Article 7 Subsection 2 of the articles of association. The General Meeting has also passed resolutions expressly authorizing the Supervisory Board to amend the wording of the articles of association in accordance with the use of the Approved Capital 2023 and the Conditional Capital 2025, as well as subsequent to the expiration of the authorization, use, and conversion/option periods in each case.

Unless otherwise required by applicable law or the articles of association, resolutions of the General Meeting are passed pursuant to Section 133 of the German Stock Corporation Act (AktG) and pursuant to Article 16 Sentences 1 and 2 of the articles of association with a simple majority of the votes cast and, if required, with a simple majority of the share capital represented. Pursuant to Article 16 Sentence 3 of the articles of association, the dismissal of a shareholder-elected member of the Supervisory Board requires a majority of at least three quarters of the votes cast. Pursuant to Section 179 Subsection 2 of the German Stock Corporation Act (AktG), any amendment to the purpose of the Company requires a three-quarters majority of the share capital represented at

the General Meeting; no use is made in the articles of association of the possibility to stipulate a larger majority of the share capital.

Authorization of the Board of Management to issue or buy back shares

The Annual General Meeting held on 3 May 2023 authorized the Board of Management to increase the share capital by up to a total of €1.0 billion in the period until 2 May 2028 with the approval of the Supervisory Board against cash and/or non-cash contributions (Approved Capital 2023). The authorization also enables the exclusion of shareholders' subscription rights under certain conditions and within defined limits subject to the consent of the Supervisory Board.

Under these defined conditions, subscription rights can, among other things, be excluded in the event of a capital increase against non-cash contributions for the purpose of an acquisition, and in the case of a capital increase against cash contributions if the issue price of new shares is not significantly below the market price at the time of issue.

The total number of shares issued against cash and/or non-cash contributions under this authorization with the exclusion of shareholders' subscription rights may not exceed 10% of the share capital at the time when this authorization takes effect.



This limit is to include shares which (i) are issued or sold during the period of this authorization with the exclusion of subscription rights in direct or analogous application of Section 186 Subsection 3 Sentence 4 of the German Stock Corporation Act (AktG) and which (ii) are or can or must be issued to service bonds with conversion or option rights or conversion or option obligations, provided that the bonds are issued after this authorization takes effect with the exclusion of shareholders' subscription rights with analogous application of Section 186 Subsection 3 Sentence 4 of the German Stock Corporation Act (AktG).

Approved Capital 2023 was not utilized within the reporting period.

The authorization granted by the Annual General Meeting on 8 July 2020, to issue convertible bonds and/or bonds with warrants was valid until 7 July 2025. This authorization was not used. It was revoked by resolution of the Annual General Meeting of 7 May 2025, together with the corresponding Conditional Capital 2020. At the same time, the Board of Management was reauthorized to issue during the period until 6 May 2030 convertible bonds and/or bonds with warrants or a combination of those instruments (commercial paper) in a total nominal amount of up to €10 billion with a maximum term of ten years, and to grant the owners/lenders of those bonds conversion or option rights to new, registered shares of no par value in the Company with a corresponding amount of the share capital of up to €500 million, in accordance with the terms and conditions of those convertible bonds or bonds with

warrants. The bonds may be issued in exchange for consideration in cash, but also for consideration in kind, in particular for interests in other companies. The respective terms and conditions may also provide for mandatory conversion or an obligation to exercise the option rights. The bonds can be issued once or several times, wholly or in instalments, or simultaneously in various tranches. They can also be issued by subsidiaries of the Company pursuant to Section 15 ff. of the German Stock Corporation Act (AktG).

Among other things, the Board of Management was also authorized under certain circumstances, within certain limits and with the consent of the Supervisory Board, to exclude shareholders' subscription rights to the bonds. Subscription rights can be excluded under these defined conditions, inter alia when bonds are issued in exchange for non-cash contributions, particularly within the framework of a merger or acquisition and when bonds are issued in exchange for cash contributions if the issue price is not significantly below the theoretical market price of the bonds at the time of the issuance.

Any issuance of bonds with the exclusion of subscription rights may only be carried out under the authorization if the arithmetical proportion of the share capital attributable to the total of the new shares to be issued on the basis of such a bond does not exceed 10% of the share capital at the time when this authorization takes effect or – if this value is lower – at the time when it is exercised. If, during the period of the authorization until it is exercised, use is made of other authorizations to issue or sell shares in the Company or to issue rights

enabling or requiring subscription to shares in the Company and subscription rights are excluded, this is to be counted towards the aforementioned 10% limit.

In order to service the debt of the convertible bonds and/or bonds with warrants issued as a result of the authorization, the Annual General Meeting of 7 May 2025 also approved a conditional increase in the share capital of up to €500 million (Conditional Capital 2025).

No use was made of this authorization to issue convertible and/or warrant bonds during the reporting period.

By a further resolution of the Annual General Meeting of 7 May 2025, the authorization granted by the Annual General Meeting on 8 July 2020, and valid until 7 July 2025, to acquire and use treasury shares was revoked to the extent that it had not been used. At the same time, the company was authorized to acquire and use treasury shares until 6 May 2030 for all legal purposes in a volume of up to 10% of the share capital at the time of the resolution of the Annual General Meeting or – if this amount is lower – at the time when the authorization is exercised. Among other things, the treasury shares can be cancelled without requiring a further resolution from a General Meeting. With the consent of the Supervisory Board, the shares can be used, also with the exclusion of shareholders' subscription rights, for corporate mergers and acquisitions, or can be sold for cash to third parties at a price that is not significantly below the market price at the time of the sale. The acquired shares can also be used to service debt on convertible bonds and/



or bonds with warrants, or can be issued to employees of the Company and employees and members of executive bodies of subsidiaries pursuant to Section 15 ff. of the German Stock Corporation Act (AktG).

During the period of the authorization, the total of the Company's own shares used with the exclusion of shareholders' subscription rights may not exceed 10% of the share capital at the time when the authorization takes effect or – if this amount is lower – at the time when it is exercised. If, during the period of the authorization until it is exercised, use is made of other authorizations to issue or sell shares in the Company or to issue rights enabling or requiring subscription to shares in the Company and subscription rights are excluded, this is to be counted towards the aforementioned 10% limit.

In a volume of up to 5% of the share capital existing at the time of the resolution of the Annual General Meeting, the Company's own shares can also be acquired by way of derivative financial instruments (put or call options, forwards or a combination of these financial instruments). The term of any derivative may not exceed 18 months and the derivative must be chosen in a way that ensures execution of the derivative does not occur after 6 May 2030.

The new authorization to buy back shares was used in the reporting period. In a buy-back programme that started on 3 November 2025 and is scheduled to be completed by 3 November 2026 (inclusive), the

Company had purchased 5.573.502 treasury shares, corresponding to 0.58% of the share capital as of 31 December 2025. The purchased treasury shares are to be cancelled.

Material agreements subject to change of control

Mercedes-Benz Group AG has concluded various material agreements, as listed below, that include clauses regulating the possible event of a change of control, as can occur, among others, as a result of a takeover bid:

- A non-utilized syndicated credit line for a total amount of €11 billion, which the lenders are entitled to terminate if (i) Mercedes-Benz Group AG becomes a subsidiary of another company, or (ii) Mercedes-Benz Group AG becomes controlled either individually or jointly by one or more persons acting together. For the purposes of the syndicated credit line, subsidiary in relation to a company means another company (i) that is controlled directly or indirectly by the first-mentioned company, (ii) of which more than 50% of the subscribed share capital (or other equity) is held directly or indirectly by the first-mentioned company, or (iii) which is a subsidiary of another subsidiary of the first-mentioned company. Control for the purposes of the syndicated credit line means (i) the right to determine the affairs of a company, (ii) the right to control the composition of the managing board or similar bodies, or (iii) the right to control the composition of the Supervisory Board (if elected by the shareholders).

- A master cooperation agreement on wide-ranging strategic cooperation with Renault S.A., Renault-Nissan B.V. and Nissan Motor Co., Ltd., as well as with Mitsubishi Motors Corporation. In the case of a change of control of one of the parties to the agreement, each of the other parties has the right to terminate the agreement. A change of control as defined by the master cooperation agreement occurs if a third party or several third parties acting jointly acquire, legally or economically, directly or indirectly, at least 50% of the voting rights in the company in question or are authorized to appoint a majority of the members of its managing board. Under the master cooperation agreement, several cooperation agreements were concluded between the former Daimler AG on the one side and Renault and/or Nissan on the other, which provide for the right of termination for a party to the agreement in the case of a change of control of another party. With the exception of the master cooperation agreement, the aforementioned cooperation agreements were transferred from the former Daimler AG to Mercedes-Benz AG in 2019.



- An agreement with BAIC Motor Co., Ltd. related to a jointly held company for the production and distribution of cars of the Mercedes-Benz brand in China, by which BAIC Motor Co., Ltd. is given the right to terminate the agreement or exercise a put or call option in the event that a third party acquires one third or more of the voting rights in Mercedes-Benz Group AG.
- An agreement between Mercedes-Benz Group AG, BMW AG and Audi AG related to the acquisition of the companies of the HERE Group and the associated establishment of There Holding B.V. In the event of a change of control of one of the parties to the agreement, the agreement obliges the party in question to offer its shares in There Holding B.V. to the other parties to the agreement (shareholders). A change of control of Mercedes-Benz Group AG occurs if one person gains control over Mercedes-Benz Group AG, whereby control is defined as (i) having control of more than 50% of the voting rights, (ii) being able to control more than 50% of the voting rights eligible to vote at the General Meetings on all or nearly all matters, or (iii) the right to determine the majority of the members of the Board of Management or of the Supervisory Board. A change of control also occurs if competitors of the HERE Group or certain possible competitors of the HERE Group in the technology industry acquire a shareholding of at least 25% of Mercedes-Benz Group AG. If none of the other parties acquire these shares, the agreement gives them the right to dissolve There Holding B.V.
- An agreement between Mercedes-Benz Group AG and BMW AG which contains basic provisions for joint ventures between Mercedes-Benz Mobility Services GmbH and group companies of BMW AG in the field of mobility services (a joint venture in the area of charging as well as a joint venture that is structured as a holding for the charging joint venture). A change of control is defined as the acquisition by a third party of more than 50% of the voting rights or shares, or the conclusion of a control agreement over Mercedes-Benz Group AG by a third party. In the event of a change of control, the contract includes mechanisms that can lead to sole ownership by one of the shareholders (shoot-out process).



Outlook

The statements made in the Outlook are based on the Mercedes-Benz Group's planning for 2026, which was approved by the Board of Management with the agreement of the Supervisory Board. This planning is based on the premises set by the company regarding the overall economic conditions and the development of the automotive markets. These are estimates by the Group that are based on analyses by various renowned economic research institutes, international organizations and industry associations, as well as on internal market analyses by the Group's sales companies.

The premises regarding the overall economic conditions and the development of the automotive markets continue to be characterized by exceptional uncertainty. In addition to unexpected macroeconomic developments, geopolitical and trade policy events in particular can create uncertainty and burdens for the global economy and the business development of the Mercedes-Benz Group.

The forecasts regarding the development of tariffs are based on the regulations applicable on 19 February 2026 and on the assumption that the tariff agreement between the EU and the US from October 2025 will also be implemented by the EU. On 20 February 2026, the Supreme Court of the United States ruled that the additional tariffs imposed in 2025 under the "International Emergency Economic Powers Act" (IEEPA) were unlawful. The Mercedes-Benz Group does not currently anticipate any significant financial impact for the year 2026 from this judgement. However, the forecast is subject to considerable uncertainty, particularly with regard to the US administration's tariff policy and potential countermeasures by trading partners.

The risks and opportunities that may arise from deviations from the developments in the global economy and the automotive markets forecast below are described in the ["Risk and Opportunity Report"](#).

The continuous planning process creates the conditions for taking advantage of arising opportunities, reacting appropriately to unexpected risks, and thus adjusted expectations for business performance to current forecasts regarding the development of the automotive markets.



The world economy and automotive markets

The world economy

For 2026, the Group expects global economic growth to remain roughly at the previous year's level and thus to continue to be in line with the long-term trend.

Economic development in the eurozone is likely to pick up speed over the course of the year. Previous policy rate cuts are providing support in all countries. Higher government spending in Germany should also help to speed up growth there. A robust labour market and inflation rates close to the European Central Bank (ECB) target form the basis for steady growth in private consumption. In this environment, the ECB is expected to leave policy interest rates at their current level. For the year as a whole, growth is therefore expected to be only slightly below that of the previous year.

In the United States, the outlook continues to be determined by the (economic) policy decisions of the Trump administration. Overall, the economy is likely to remain fairly robust, supported by interest rate cuts and tax breaks under the "One Big Beautiful Bill Act".

However, continued strong wage growth and the increasing effects of US import tariffs are likely to cause inflation to remain above the 2% target of the Federal Reserve. In this context, there is limited scope for further rate cuts by the US Fed. For the year as a whole, the Mercedes-Benz Group expects the US economy to grow at a slightly higher pace than last year.

Growth in the Chinese economy is likely to slow further in 2026. The consolidation of the real estate sector is still ongoing and will again contribute to subdued domestic demand. On the other hand, renewed government support measures should soften the decline in growth. Existing overcapacities and the associated intense price competition are likely to prevent a significant rise in inflation.

In view of these developments, global economic growth is likely to remain in the range of 2.5 to 3% this year.

Automotive markets

These subdued macroeconomic conditions are likely to continue to dampen growth in the global automotive markets.

Against this background, the global **car market** as well as the major sales markets in Europe, the United States and China are expected to remain on the same level as in the previous year. Price competition is expected to remain intense in the Chinese market in particular.

For important **van markets**, the growth outlook for 2026 is rather muted overall. In Europe, the market segments for mid-size and large vans are both likely to remain at the previous year's level. The US market for large vans is expected to reach the same level as last year. In China, the market segment for mid-size vans is expected to increase significantly compared to the previous year's level.



Outlook for the key performance indicators

Mercedes-Benz Group

In a continuing challenging macroeconomic environment, the Mercedes-Benz Group expects Group revenue for 2026 to be at the same level as the previous year, in line with sales expectations in the automotive divisions.

For 2026, the Group expects that EBIT will be significantly higher than in the previous year. Negative effects from exchange rate developments, among other things, are offset by efficiency measures that should lead to further cost reductions. In addition, the Group expects lower expenses from individual items in 2026, which will be presented as adjustments in the segments.

For 2026, the Mercedes-Benz Group anticipates that the free cash flow of its industrial business will be slightly below the previous year's level.

Potential effects from M&A transactions are not included in the forecast neither for EBIT nor for free cash flow of the industrial business.

Mercedes-Benz Cars

In a continuing demanding economic environment, Mercedes-Benz Cars expects unit sales in 2026 to remain at the previous year's level. The share of electrified vehicles (xEVs) in total unit sales is expected to increase slightly, remaining between 21 and 23%.

Based on the projected sales development an adjusted return on sales in a range of 3 to 5% is expected. It is expected that negative exchange rate effects, among other things, will be offset by further cost reductions.

The adjusted cash conversion rate for Mercedes-Benz Cars is expected to be in a range between 1.0 and 1.2 for 2026.

Mercedes-Benz Cars expects investments in property, plant and equipment in 2026 to be slightly below the 2025 level. Research and development expenditure in 2026 is expected to be significantly lower than in the previous year.

Mercedes-Benz Vans

Mercedes-Benz Vans expects unit sales in 2026 to be slightly above the previous year's level. Regarding the share of electrified vehicles (xEVs) in total unit sales, a range of 8 to 10% is expected.

Positive effects result from a favourable product mix, while advance expenditure for the new Van Architecture and the ramp-up of the VLE, as well as continued weak demand in China and high burdens resulting from not fully achieving the CO₂ targets, have a counteracting effect. Overall, this will result in a planned adjusted return on sales of between 8 and 10%.

The adjusted cash conversion rate for the Mercedes-Benz Vans division is expected to be in a range of 0.1 to 0.3 due to the high level of investment in the announced new vehicle generation.

As a result, Mercedes-Benz Vans expects a significant increase in investments in property, plant and equipment in 2026 compared to 2025. Mercedes-Benz Vans expects a slight increase in research and development expenditure for 2026 compared to the previous year.

Mercedes-Benz Financial Services

The adjusted return on equity is expected to be between 10 and 12% in 2026. The projected increase compared to the prior year is mainly due to a higher portfolio margin and further cost improvements. It should be noted that the result from the planned sale of the Athlon Group is not included in the forecast of the adjusted return on equity.

**Outlook for the key performance indicators**

	2025 reporting year	Forecast for 2026 ¹
Mercedes-Benz Group		
Revenue	€132,214 million	At the prior-year level
EBIT	€5,820 million	Significantly above the prior-year level
Free cash flow of the industrial business	€5,414 million	Slightly below the prior-year level
Mercedes-Benz Cars		
Unit sales	1,801,291 vehicles	At the prior-year level
Share of electrified vehicles (xEVs)	20.5%	21-23%
Adjusted return on sales	5.0%	3-5%
Adjusted cash conversion rate	1.2	1.0-1.2
Investments in property, plant and equipment	€4,074 million	Slightly below the prior-year level
Research and development expenditure	€8,585 million	Significantly below the prior-year level
Mercedes-Benz Vans		
Unit sales	359,136 vehicles	Slightly above the prior-year level
Share of electrified vehicles (xEVs)	7.9%	8-10%
Adjusted return on sales	10.2%	8-10%
Adjusted cash conversion rate	0.6	0.1-0.3
Investments in property, plant and equipment	€1,233 million	Significantly above the prior-year level
Research and development expenditure	€1,129 million	Slightly above the prior-year level
Mercedes-Benz Financial Services		
Adjusted return on equity	9.7%	10-12%

¹ For the qualitative-comparative description of forecasts, the following intensities are used, each defined as deviations from the previous year's level.

Revenue and unit sales: At the previous year's level corresponds to a deviation of +/-2%; slightly above/below the previous year's level is between more than +/-2% and +/-7.5%; significantly above/below the previous year's level is more than +/-7.5%.

EBIT: At the previous year's level corresponds to a deviation of +/-5%; slightly above/below the previous year's level is between more than +/-5% and +/-15%; significantly above/below the previous year's level is more than +/-15%.

Free cash flow of the industrial business: At the previous year's level corresponds to a deviation of +/-10%; slightly above/below the previous year's level is between more than +/-10% and +/-25%; significantly above/below the previous year's level is more than +/-25%.

Investments in property, plant and equipment and research and development expenditure: At the previous year's level corresponds to a deviation of +/-2.5%; slightly above/below the previous year's level is between more than +/-2.5% and +/-10%; significantly above/below the previous year's level is more than +/-10%.



Dividend

In line with a sustainable dividend policy, the Mercedes-Benz Group sets the dividend based on a distribution ratio of 40% of the previous year's net profit attributable to Mercedes-Benz Group share-holders. The future free cash flow from the industrial business is also taken into consideration when setting the dividend.

At the Annual General Meeting to take place on 16 April 2026, the Board of Management and the Supervisory Board will propose the payment of a dividend of €3.50 per share entitled to a dividend for the year 2025 (2024: €4.30). Taking into account repurchased treasury shares in the portfolio as of 31 December 2025, and subject to further share buybacks up to the Annual General Meeting in 2026, this corresponds to a total distribution of €3.4 billion (2024: €4.1 billion).

Further information on the dividend can be found in the Consolidated Financial Statements in the "Notes to the Consolidated Financial Statements" under the Note ["Equity"](#).

Overall statement on future development

With the new CLA, Mercedes-Benz Cars launched the biggest product offensive in its history in 2025: more than 40 new models are to be presented by the end of 2027. Mercedes-Benz Vans is also pushing ahead with the further development of its product portfolio and preparing for the introduction of a new modular, scalable Van Architecture. The Mercedes-Benz VLE is set to be the first model based on this architecture, launching in 2026 and thus ushering in a new generation of vehicles.

This comprehensive product offensive is supported by the Group's digital transformation. With its proprietary operating system MB.OS, the Mercedes-Benz Group is focusing on the integration of digitalization and artificial intelligence. Advances in safety and automated driving underscore the company's innovative strength in technology.

The further development of the product portfolio and technology pursues a clear objective: to create a unique customer experience with the Group's vehicles and thus build lasting and value-creating customer loyalty.

With its consistent focus on the top end of all product categories and its clear focus on profitable growth, the Group is well equipped to meet the challenges of the coming years. Business development is expected to remain subdued in 2026. The Mercedes-Benz Group expects that the planned market launches and efficiency measures will lay the foundation for a regeneration in economic development in the medium term.



Risk and Opportunity Report

The Mercedes-Benz Group is exposed to a large number of risks that are directly linked with the business activities of Mercedes-Benz Group AG and its subsidiaries or that result from external influences. The Group understands a risk as the danger that events, developments or actions will prevent the Group or one of its segments from achieving its targets. The risks include both monetary and non-monetary risks.

At the same time, it is important to identify opportunities in order to safeguard and enhance the competitiveness of the Mercedes-Benz Group. The Group defines an opportunity as the possibility, due to events, developments or actions, of safeguarding or surpassing the planned targets of the Group or of a segment.

In order to identify business risks and opportunities at an early stage and to assess and manage them actively, a functional risk and opportunity management system is a central element of corporate governance at the Mercedes-Benz Group.

Risk and opportunity management system and internal control system¹

Overview of the control and monitoring system

The Mercedes-Benz Group as a whole pursues the three-line model of the Institute of Internal Auditors (IIA) to ensure an integrated control and monitoring system.

The **operating units** in the form of the individual segments, Group functions, organizational units and Group entities form the first line. Their task is the implementation of external and internal guidelines, and they are responsible for the implementation of controls, operational risk management and risk management processes in their respective units.

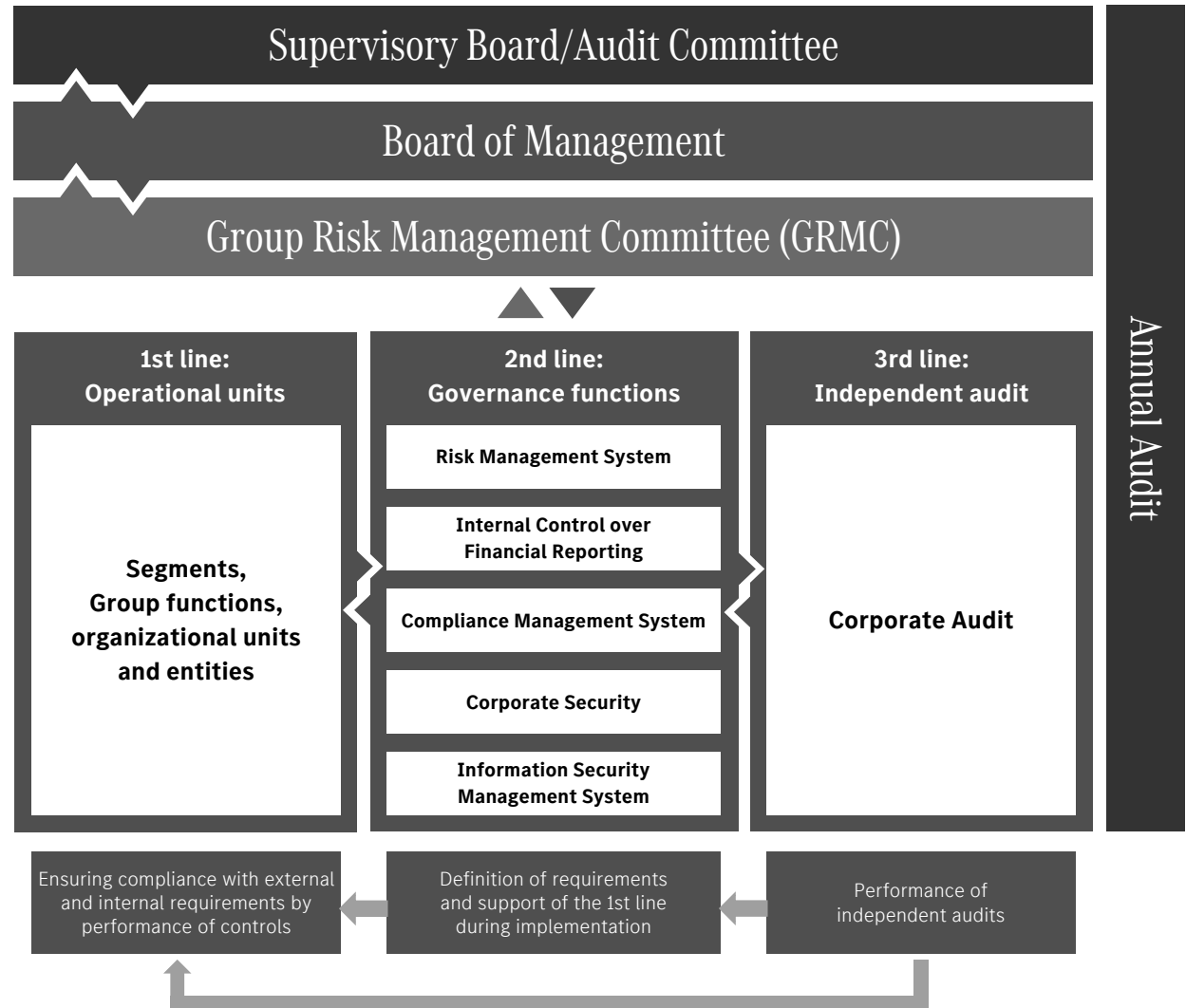
In the second line, the risk management system, the accounting-related internal control system, the Compliance Management System, Corporate Security and the Information Security Management System act as **governance functions**. They define the corresponding minimum requirements and standards for methods, processes and systems for use in the first line and set the framework for cooperation. Their tasks also include regular reporting to the Board of Management and the Supervisory Board. They also support the first line in carrying out their tasks.

In the third line, **Corporate Audit** monitors the appropriateness and effectiveness of the implemented processes and the governance functions through independent and risk-oriented audits. It monitors whether the statutory conditions and the Group's internal policies concerning the control and risk management system of the Group are adhered to and the associated processes are appropriately designed. If required, measures are initiated in cooperation with the respective management team and the appropriateness and effectiveness are monitored.

¹ This chapter contains disclosure requirements related to the European Sustainability Reporting Standards (ESRS) with respect to the risk and opportunity management system.

The **Group Risk Management Committee (GRMC)** is responsible for ensuring the continuous improvement of the risk management system and the internal control system (including the Compliance Management System) and their appropriateness and effectiveness with regard to the Group’s risk situation and the scope of the business activities. It is chaired by the members of the Board of Management of Mercedes-Benz Group AG responsible for “Finance & Controlling” and “Integrity, Governance & Sustainability”. In addition, the GRMC was composed as of 31 December 2025 of representatives from Mercedes-Benz Group Finance, the Legal Affairs department, the Compliance unit, Corporate Security and the Mercedes-Benz AI, Data & Cyber Security unit. The Corporate Audit department contributes material findings on the internal control and risk management system.

The **Board of Management, Audit Committee** and **Supervisory Board** of Mercedes-Benz Group AG are informed regularly and as needed about potential significant control weaknesses, the appropriateness and effectiveness of the implemented controls and the risk situation. The Audit Committee and the Supervisory Board of Mercedes-Benz Group AG are responsible for monitoring the internal control and risk management system, including its appropriateness and effectiveness.





External **auditors** audit the system for the early identification of risks, which is integrated in the risk management system, for its general suitability to identify, assess, manage and monitor risks threatening the existence of the Group. In addition, in the context of the audit of the Consolidated Financial Statements, they report to the Audit Committee and the Supervisory Board of Mercedes-Benz Group AG on any significant weaknesses that have been identified in the accounting-related internal control and risk management system.

Risk and opportunity management system

The **risk management system** is intended to systematically and continually identify, assess, control, monitor and report on risks threatening the Mercedes-Benz Group's existence and other material risks jeopardizing the Group's success in order to support the achievement of corporate targets and to enhance risk awareness at the Group.

The **opportunity management system** at the Mercedes-Benz Group is based on the risk management system. The objective of opportunity management is to recognize the possible opportunities arising in business activities resulting from positive developments at an early stage, and to use them in the best possible way for the Group by taking appropriate measures. By taking advantage of opportunities, planned targets should be met or exceeded.

The risk and opportunity management system is based on the internationally recognized framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO Enterprise Risk Management Framework). It is integrated into the value-based management and planning system of the Mercedes-Benz Group and is a fixed component of the overall planning, management and reporting process in the companies, segments and corporate functions.

The responsibility for operational risk management and for the risk management processes is borne by the first line and thus by the segments, corporate functions, organizational units and companies. They report on the specific risks and opportunities to the next-higher level unit on a regular basis. Significant unexpected risks must be reported immediately. Risks and opportunities are managed within the Group by means of measures taken by the units responsible. The profitability of a measure is assessed before its implementation.

The possible impact and probability of occurrence of all risks and opportunities and the related measures that have been initiated are continually monitored by the operational units. This information is passed on to Group Risk Management for reporting to the Board of Management, the Audit Committee and the Supervisory Board.

As part of the planning process, risks and opportunities are recorded within an observation horizon of generally five years. Matters that have already been fully taken into account in planning or for which a provision has

been recognized are not considered in connection with the risk management process.

The Risk and Opportunity Report relates to risks and opportunities that could have a significant influence on the profitability, cash flows and financial position of the Mercedes-Benz Group in the year 2026. The assessment of individual risks and opportunities takes place on the basis of their probability of occurrence and possible impact on the Mercedes-Benz Group. Multiplying the probability of occurrence by the possible impact results in the expected value, which forms the basis for the classification in risk and opportunity categories. In principle, the quantification of risks and opportunities in this report is carried out by summarizing the expected values of the individual risks and opportunities in categories. The assessment of the level of risks and opportunities takes into account both planned and already effective risk-reducing measures (net view) and is considered in relation to EBIT, unless otherwise indicated.

Risk and opportunity management is based on the principle of completeness. This means that all identified risks and opportunities are incorporated into the risk management process via the operating units of the segments as well as the corporate departments. The scope of consolidation for risk and opportunity management generally corresponds to the scope of the Consolidated Financial Statements.



In order to **assess the** Group's **risk-bearing capacity**, the potential effects of the risks on earnings are analysed using a Monte Carlo simulation (confidence level: 99%). The risks are compared to the reported equity and the liquidity of the Mercedes-Benz Group as a risk cover. For a more comprehensive risk assessment, the liquidity of the Mercedes-Benz Group will also be included from 2025 onwards.

In identifying **sustainability-related risks and opportunities**, the Mercedes-Benz Group is guided by the topics identified by the materiality assessment in the chapter "Sustainability Statement" in the section "[Process for materiality assessment](#)" and thus includes the strategic sustainability focus areas. Sustainability-related risks and opportunities are understood to be conditions, events or developments related to the sustainability dimensions of the environment, social and governance, the occurrence of which may have a potential impact on the Mercedes-Benz Group's profitability, cash flows and financial position, as well as on its reputation.

Climate-related risks and opportunities in connection with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) are also identified and assessed as part of the risk management process. Further information can be found in the chapter "Sustainability Statement" in the section "[Special considerations for identification of material climate-related impacts, risks and opportunities](#)".

Internal control system

The Mercedes-Benz Group's internal control system encompasses, in addition to the accounting-related internal control system, controls for further business processes. There are also internal controls for the group-wide processes of Corporate Security, the Information Security Management System, and the group-wide Compliance Management System. Sustainability-related aspects are also part of the internal control system.

Moreover, an independent and risk-oriented review of the structure and processes of the internal control system is carried out by **Corporate Audit** within the framework of various process audits.

The **internal control system with regard to the accounting process** (Internal Control over Financial Reporting) has the objective of ensuring the appropriateness and effectiveness of accounting and financial reporting. It is designed in line with the internationally recognized framework for internal control systems (COSO Internal Control – Integrated Framework), is continually developed further, and is an integral part of the accounting and financial reporting processes in the segments, corporate functions, organizational units and legal entities. The system includes principles and procedures as well as checks for the purposes of prevention and detection.

The appropriateness and effectiveness of the internal control system with regard to the accounting process is systematically evaluated. The evaluation begins with a risk analysis and a control definition with the aim of identifying significant risks for the accounting and financial reporting processes in the main legal entities and corporate functions. The necessary controls are then defined and documented in accordance with group-wide guidelines. In order to assess the effectiveness of the controls, tests are carried out regularly on the basis of random samples. These form the basis for a self-assessment of whether the controls are appropriately designed and effective. The results of this self-assessment are documented and reported in a group-wide IT system. Identified control weaknesses are eliminated, taking into account their potential impact. The selected legal entities and corporate functions confirm the effectiveness of the internal control system with regard to the accounting process for their respective areas of responsibility at the end of the annual cycle. As part of consolidated reporting, the Board of Management and the Audit Committee of the Supervisory Board are regularly informed about significant control weaknesses and the effectiveness of the implemented controls.



The **Compliance Management System**, which has an interface to the risk management system, is aligned with the risk situation of the Mercedes-Benz Group and aims to promote rule-compliant behaviour within the company. The Compliance Management System makes a significant contribution to the integration of compliance into our operating business units and their processes. Further information on the Compliance Management System of the Mercedes-Benz Group can be found in the chapter [“Sustainability Statement”](#).

The functional risk management of **Corporate Security** methodically follows the holistic risk management at the Group level and is integrated into the internal control system of the Mercedes-Benz Group. The aim is to identify and evaluate security-relevant risks on the basis of a risk-oriented view and to control them by means of mitigating measures. The focus is on the company’s global locations. To this end, Corporate Security has implemented internal controls for security-related issues. These include the areas of property security, fire protection and crisis management and serve to protect the lives and physical integrity of people and to protect company assets, business processes and company knowledge.

The Group’s **Information Security Management System (ISMS)** ensures adequate protection of business-critical information and IT services. It is based on internationally recognized standards, such as ISO 27001, and is continuously developed further in order to meet the dynamic requirements of cybersecurity. Operationally, the ISMS is strengthened through the interplay of proactive and reactive measures. The proactive measures include comprehensive training and awareness programmes for employees and functionaries, a detailed set of information security rules and technical and organizational protective measures for critical IT infrastructures, systems and applications. A key component of the reactive measures is the 24/7 Cyber Intelligence & Response Center, which is responsible for cyber defence and the professional handling of cybersecurity incidents.

Appropriateness and effectiveness of the internal control and risk management system¹

Continuous monitoring of the processes and systems of the internal control and the risk management system is in effect to resolve weaknesses identified in the financial year and ensure continuous improvement of the processes and systems. As a result of the complex process landscape and the high rate of change of the legal requirements, the maturity of the internal control system with regard to the sustainability-relevant aspects in particular is not yet on the level of the accounting-related internal control system. As of the reporting date, taking into account the scope of the business operations and the risk situation of the company, in all material respects there are no indications of an overall inappropriateness or ineffectiveness of the internal control and risk management system.

The effectiveness of any risk management and control system is subject to inherent limitations. No system – even if it has been assessed as appropriate and effective – can guarantee that all risks that actually occur will be detected in advance or that all process violations will be excluded under all circumstances.

¹ The information on the appropriateness and effectiveness of the internal control and risk management system that is not part of the Management Report is information that is not the subject of the audit.



Risks and opportunities

The following section describes risks and opportunities that could have a significant influence on the profitability, cash flows and financial position of the Mercedes-Benz Group in the year 2026. In general, the reporting of risks and opportunities not covered in the Outlook takes place in relation to the individual segments Mercedes-Benz Cars, Mercedes-Benz Vans and Mercedes-Benz Financial Services. If no segment is explicitly mentioned, the risks and opportunities described relate to all the segments. Based on the expected value, the reported risks and opportunities per category are aggregated into the levels “low”, “medium” and “high” for the Mercedes-Benz Group. Risks and opportunities are not offset. Additional information on risks and opportunities related to sustainability is provided in the chapter “Sustainability Statement” in the section “Material topics, impacts, risks and opportunities”.

Quantification of the risks and opportunities based on the expected value for each category

Level	Expected value
Low	< €500 million
Medium	≥ €500 million to €1 billion
High	≥ €1 billion

The following table shows the specific classification of the aggregated risks and opportunities in the respective categories based on the aforementioned interval limits.

Risks and opportunities Mercedes-Benz Group Category	Classification of the expected value for the year 2026		Classification of the expected value for the year 2025	
	Risk	Opportunity	Risk	Opportunity
Industry and business risks and opportunities¹				
General market risks and opportunities	High	Low	High	Medium
Risks and opportunities relating to the legal and political framework	High	Low	High	Low
Company-specific risks and opportunities				
Risks and opportunities from research and development	Medium	Low	Medium	Low
Production risks and opportunities	Medium	Low	Low	Low
Risks and opportunities from purchasing and logistics	High	Low	High	Low
Information technology risks and opportunities	Medium	Low	Medium	Low
Personnel risks and opportunities	Low	Low	Low	Low
Risks and opportunities related to equity investments and cooperations	Medium	Low	Medium	Low
Financial risks and opportunities²				
Exchange-rate risks and opportunities	Low	Low	Low	Low
Interest rate risks and opportunities	Low	Low	Low	Low
Credit and country risks ³	Medium	-	Medium	-
Risks and opportunities relating to pension plans	Medium	Medium	Medium	Medium
Legal and tax risks and opportunities				
Legal risks	High	-	High	-
Tax risks and opportunities	Low	Low	Low	Low

1 The category “Procurement market risks and opportunities” will be discontinued as of 31 December 2025. The included risks and opportunities have been transferred to the category “Risks and opportunities from purchasing and logistics”. The merger does not result in any change to the classification of the previous year’s category.

2 Dissolution of the categories “Risks and opportunities from access to the capital markets” and “Risks and opportunities from changes in credit ratings” as of 31 December 2025.

3 Merger of the previous risk categories “Credit risks” and “Country risks” into the new category “Credit and country risks” as of 31 December 2025. In the previous year, the individual category “Credit risks” was reported with a rating of “Low” and “Country risks” with a rating of “Medium”.



Industry and business risks and opportunities

General market risks and opportunities

The risks and opportunities for the economic development of automotive markets are strongly affected by the cyclical situation of the global economy. The assessment of market risks and opportunities is linked to forecasts about the overall economic conditions and the development of the automotive markets in which the Mercedes-Benz Group is active. These assumptions are described in detail in the chapter “Outlook”. The possibility of markets developing better or worse than in the internal forecasts and assumptions, or of changing market conditions, generally exists for all segments of the Group.

Possible decreases in **vehicle sales** may be caused in particular by a worse-than-expected macroeconomic environment for the Mercedes-Benz Group and in the context of geopolitical, trade policy or economic uncertainties. In addition to an overall weak economic environment, factors such as high energy prices, high inflation and interest rates, and conversely also deflationary tendencies can negatively influence demand. Strong fluctuations in the financial markets, for example in share prices and exchange rates, can also unsettle consumers and companies, cause losses in purchasing power, and negatively affect demand. In addition, the structure of the planned sales programme could develop less favourably than assumed in the forecast.

The market success of alternative drive systems is greatly influenced not only by customer acceptance but also by regional market conditions such as the battery-charging infrastructure, state support and tax conditions. A lower-than-expected market acceptance of electric vehicles and an increasingly competitive environment can lead to risks in the development of unit sales and have a negative impact on earnings. This could also endanger the achievement of CO₂ fleet targets in certain markets. Government purchase incentives or industrial policy measures to strengthen local value creation in various countries can result in competitive disadvantages and declining vehicle sales in the respective markets. The development of markets, unit sales and inventories is continually analysed and monitored; if necessary, specific marketing and sales programmes are implemented.

Volatilities with regard to market developments can also lead to the overall market or regional conditions for the automotive industry developing better than assumed in the internal forecasts and premises, thus resulting in business opportunities in the market. Opportunities may also arise from an improvement in the competitive situation or a more positive development of demand. The utilization of opportunities is supported by sales and marketing campaigns. Compared to the prior year, the opportunities have decreased from “medium” to “low” due to the challenging market environment.

The launch of new products by competitors, more aggressive pricing policies and less effective pricing for products can lead to increasing **competitive and price pressure** and have a negative impact on profitability. According to the situation, product-specific and possibly regionally different measures are taken. Depending on the region and the current market situation, these include continuous market monitoring and, if necessary, pricing strategies or sales promotion measures.

In connection with the sale of vehicles, the Mercedes-Benz Group offers customers a wide range of **financing and leasing options**. The resulting risks for the Mercedes-Benz Financial Services segment are mainly due to borrowers’ worsening creditworthiness, so receivables might not be recoverable in whole or in part because of customers’ inability to fulfil their contractual payment obligations (default or credit risk). Mercedes-Benz Financial Services counteracts credit risks by means of creditworthiness checks on the basis of standardized scoring and rating methods, the collateralization of receivables, and effective risk management with a firm focus on monitoring both internal and macroeconomic leading indicators.



In connection with leasing agreements, risks and opportunities also arise due to the development of the used vehicle markets. These result when the market value of a leased vehicle at the end of the agreement term differs from the residual value that was originally calculated and forecast on the basis of specific assumptions at the time the agreement was concluded and used as a basis for the leasing instalments. Residual-value management processes have been defined to counteract these **risks relating to vehicles' residual values**. Depending on the region and the current market situation, the measures taken generally include continuous market monitoring as well as, if required, price-setting strategies or sales promotion measures designed to regulate vehicle inventories. The quality of market forecasts is verified by comparisons of internal and external sources, and, if required, the determination of residual values is adjusted and further developed with regard to methods, processes and systems.

Risks and opportunities relating to the legal and political framework

Risks and opportunities from the legal and political framework have a considerable influence on the Mercedes-Benz Group's future business success. Geopolitical and trade tensions can have a significant impact on the business activities of an international company such as the Mercedes-Benz Group. In addition, regulations concerning vehicles' emissions, fuel consumption, safety and certification, as well as tariff aspects and taxes in connection with the sale or purchase of vehicles or vehicle parts, play an important role.

The Mercedes-Benz Group constantly monitors the development of the legal and political framework and attempts to anticipate foreseeable requirements and long-term objectives at an early stage in the product development process. In particular, changes in the legal and political framework at short notice can be associated with additional costs or higher investments.

Legal limits on the fuel consumption and/or CO₂ emissions of car fleets exist in many markets. Non-compliance with regulations applicable in the various markets might result in financial penalties and reputational harm, and might even mean that vehicles with conventional drive systems could no longer be registered. The Mercedes-Benz Group counteracts this risk through the transformation towards electric mobility, the associated realignment of its product portfolio and the use of balancing mechanisms (e.g. pooling). These targets are, in principle, part of production, sales, and financial planning.

Political tensions and the associated danger of **geopolitical conflicts** remain high and are associated with far-reaching risks for the business development of the Mercedes-Benz Group. Persistent geopolitical tensions could exert significant pressure on global economic development. These include the ongoing tensions between the United States and China, a further deterioration in relations between the EU and

China, as well as the future development of relations between the EU and the United States. In addition, there are risks of a further escalation of the military conflicts in the Middle East, the further development of the Russia-Ukraine war, and the flare-up of regional conflicts, particularly in the South and East China Seas. These developments could lead to severe disruptions in global supply chains. Furthermore, rising energy prices, additional inflationary pressure, tougher sanctions, and a deterioration of the economic growth outlook may follow.

Individual countries may attempt to defend and improve their competitiveness in the world's markets by increasingly resorting to **interventionist and protectionist measures**. In particular, a spiral of tariff increases could pose a risk to the competitiveness of the Mercedes-Benz Group. To prevent or mitigate these risks, an increase in localization shares in certain countries may become necessary.



Company-specific risks and opportunities

Risks and opportunities from research and development

Technical developments and innovations are of key importance for the safe and sustainable mobility of the future. The transformation towards electric mobility and the comprehensive digitalization of vehicles has resulted in ambitious development targets and the market launch of new technologies. In addition to the resulting opportunities, decisions in favour of certain technologies and the continuously growing scope of requirements that must be fulfilled relating to emissions, consumption, safety and other areas such as data security are associated with risks.

There are risks that vehicles cannot be developed within the planned time frame, in the appropriate quality or at the targeted profitability. This is particularly the case with regard to electric mobility, autonomous driving and increasing digitalization as well as connectivity of vehicles. This could delay the planned market launch of new vehicle models or facelifts. There is also a risk that certain digital functions could be launched on the market later than planned. The Mercedes-Benz Group counters these risks by continuously and systematically monitoring the product development process for all vehicle projects.

In 2020, Mercedes-Benz Group AG and Mercedes-Benz USA, LLC (MBUSA) reached agreements with various US authorities to settle civil and environmental claims regarding emission control systems of certain diesel vehicles, which have taken legal effect. If the obligations from the settlements are not complied with, there will be the risk that cost-intensive measures will have to be taken and/or significant stipulated penalties will become due.

Production risks and opportunities

Due to the increasing technical complexity and the goal of maintaining and constantly enhancing quality standards for the vehicles of the Mercedes-Benz Group, both risks and opportunities can arise in connection with the launch and manufacture of products.

With regard to production capacity utilization, there may be risks due to fluctuations in market demand, disruptions in the supply of parts or technical interruptions in production. The consequences of underutilized production facilities can lead to inefficient use of resources and higher unit costs. Furthermore, damage to plant infrastructure caused by extreme weather events or natural disasters can lead to disruptions in production. To reduce related risks, associated processes are continually evaluated and improved.

Warranty and goodwill cases could arise particularly if the quality of the products or the components installed in the products does not meet specified requirements despite appropriate quality assurance processes, or if regulations are not fully complied with. The Mercedes-Benz Group recognizes provisions for warranty and goodwill cases. Nevertheless, it cannot be ruled out that recalls and field measures will lead to additional expenses. Possible claims in connection with such risks are examined and, if necessary, appropriate service measures are initiated for the affected products. Due to the introduction of new technologies as part of the transformation towards electromobility, as well as the increasing digitalization of vehicles, there is generally an increased risk of warranty and goodwill cases.

For this reason, the risks in the category “production risks” increased from “low” to “medium” compared to the previous year.

Risks and opportunities from purchasing and logistics

Risks and opportunities relating to procurement arise for the automotive segments in particular from fluctuations in the prices of commodities and raw materials or the availability of intermediate products.

For the year 2026, risks remain due to **rising raw material prices** as a result of inflation, competition, and geopolitical uncertainties. This may lead to higher procurement costs and potential supply shortages,



which could adversely affect the profitability, cash flows and financial position. The Mercedes-Benz Group addresses these risks through continuous market monitoring, active cost management, and technical measures to optimize product costs.

Possible **interruptions in global supply chains**, especially those caused by bottlenecks for important intermediate goods such as electronic components, can cause disruptions at Mercedes-Benz Cars and Mercedes-Benz Vans. Lack of availability and quality problems with certain vehicle parts can lead to production downtimes and cause additional costs that result in negative effects on profitability, cash flows and financial position. Mercedes-Benz Cars and Mercedes-Benz Vans analyse these risks on an ongoing basis. Supplier management is undertaken for the prevention of risks with the aim of ensuring the quantity and quality of the components required to produce the vehicles. In addition, in the aforementioned situations, the Mercedes-Benz Group examines whether claims can be asserted against suppliers.

The risk that suppliers increasingly run into financial difficulties remains high. The reasons for this are, among other things, the tense economic environment and uncertainties in connection with high commodity and raw-material prices, as well as the lack of availability of supplier parts. As a result, **production stoppages are**

possible along the entire supply chain and could prevent vehicles from being completed and delivered to customers on time. Supplier risk management aims to identify potential financial bottlenecks at suppliers at an early stage and to initiate suitable countermeasures in order to avoid supply disruptions.

Due to the **transformation to electric mobility** and the increasing **digitalization** of the vehicle portfolio, the external sourcing of key components and technologies is becoming increasingly important. If these are not available on time or in the required quantity and quality, this could delay the start of production of new series. Risks may also arise from uncertainties in the planned quantities. This could have negative effects on the profitability, cash flows and financial position.

Possible **human rights violations** in increasingly complex supply chains pose a risk for the Mercedes-Benz Group. Certain national laws prohibit the import of goods that are linked to forced labour, for example. Countries with corresponding laws could impose import restrictions or sanctions on companies that are linked to human rights violations within their supply chain. Possible import bans could lead to supply bottlenecks, higher costs and production delays. To counteract this risk, the Mercedes-Benz Group is continuously working to create the greatest possible transparency to protect human rights in the upstream value chain. The Mercedes-Benz Group has developed a risk-based approach to ensuring human rights due diligence: the Human Rights Respect System (HRRS).

Further Information can be found in the chapter “Sustainability Report” in the section “Workers in the value chain” under “[Respect for human rights](#)”.

The risk that input factors such as certain raw materials, components or technologies can no longer be imported into or exported from a country due to **geopolitical tensions** represents an increasing threat to the Mercedes-Benz Group. Such risks are particularly pronounced when global supply chains for these input factors depend on a few key producers. If geopolitical conflicts, sanctions or trade wars destabilize international trade relations, this can lead to significant supply bottlenecks, higher costs and production delays for the Mercedes-Benz Group.

Natural disasters can also have a significant impact on the increasingly complex supply chains by disrupting the delivery of raw materials or intermediate products. The supplier risk management of the Mercedes-Benz Group actively manages this risk through a flexible supply network in order to mitigate supply interruptions as far as possible.

**Information technology risks and opportunities¹**

The systematically pursued digitalization strategy enables the Mercedes-Benz Group to utilize new opportunities to increase customer utility and the value of the company. Nonetheless, the high degree of penetration of all business units by information technology (IT) also harbours risks for our business and production processes and the units' products and services. Extensive changes in the existing system landscape, for example the focus on strategic partnerships for the transformation of the IT infrastructure, can also lead to risks.

The ever-growing threat from cybercrime and the spread of aggressive malicious code brings risks that can affect the availability, integrity and confidentiality of information and IT-supported operating resources. Despite extensive precautions, in the worst-case scenario this can lead to a temporary interruption of IT-supported business processes with severe negative effects on the Group's earnings. In addition, the loss or the misuse of sensitive data may lead to a loss of reputation. In particular, strict regulatory requirements such as the EU General Data Protection Regulation and related legislation may, among other things, give rise to claims by third parties and result in costly regulatory requirements and penalties with an impact on earnings.

Due to the growing requirements concerning the confidentiality, integrity and availability of data, the Mercedes-Benz Group has implemented various preventive and corrective measures so that the related risks are minimized. For example, the Group reduces the risk of potential disruptions to operational processes in computer centres by mirroring data, decentralizing data storage, maintaining off-site data backups and configuring IT systems for high availability. Emergency plans are continuously updated and employees are trained and regularly made aware. The internal IT security framework is based on international standards. New regulatory requirements for cybersecurity and cybersecurity management systems are taken into account when further developing internal processes and specifications. Specific threats are analysed and countermeasures are coordinated at a globally active Cyber Intelligence & Response Center. The protection of products and services against the danger of hacking and cybercrime is continually further developed.

Due to the increasing digitalization and networking of vehicles, there is also a risk that possible vulnerabilities in the vehicle software or in the back end could be exploited. This can subsequently lead to damage or changes to vehicle functionalities and data. To counteract this risk, the Mercedes-Benz Group permanently monitors the threat landscape, identifies possible vulnerabilities and provides over-the-air security updates.

Personnel risks and opportunities

Demographic developments and digital transformation require the company to continuously adapt to change. With regard to technological developments, the Mercedes-Benz Group is taking appropriate measures to ensure, for example, a qualified pool of specialist employees and executives. At the same time, the profound transformation towards electromobility brings structural challenges for workforce planning. The changing requirements for production processes can lead to an imbalance between existing capacities and future needs. To address this risk, the company relies on proactive workforce planning and socially responsible measures. To prepare employees for new areas of responsibility, a key focus is on qualification programmes with targeted personnel development and further training of the workforce. Among other things, employees benefit from a wide range of training opportunities and the transparency created within the framework of performance management. Furthermore, in order to remain successful as a company, the way we work together and our leadership culture undergo continuous development.

¹ This section provides information related to the risk of possible cyberattacks resulting from the increasing digitalization and networking of vehicles that meets disclosure requirements in connection with European Sustainability Reporting Standards (ESRS) (see the chapter "Social information" under "[Consumers and end-users](#)").

**Risks and opportunities related to equity investments and cooperations**

Cooperation with partners in shareholdings and partnerships is of key importance to the Mercedes-Benz Group – among other things, in the transformation towards electric mobility, the associated charging infrastructure and comprehensive digitalization. Especially with new technologies, these shareholdings and partnerships help us utilize synergies and improve cost structures in order to respond successfully to the competitive situation in the automotive industry.

The Mercedes-Benz Group generally participates in the risks and opportunities of shareholdings in line with its equity interest, and is also subject to share-price risks and opportunities if such companies are listed on a stock exchange.

The remeasurement of a holding can lead to risks and opportunities for the segment to which it is allocated. Furthermore, ongoing business activities, especially the integration of employees, technologies and products, can result in risks. In addition, further financial obligations or an additional financing requirement can arise. The shareholdings are subject to a monitoring process so that, if required, decisions can be promptly made on whether or not measures should be taken to support or ensure profitability. The recoverable value of investments in shareholdings is also regularly monitored.

Financial risks and opportunities**Exchange-rate risks and opportunities**

The Mercedes-Benz Group's global orientation means that its business operations and financial transactions are connected with risks and opportunities related to fluctuations in currency exchange rates. This applies in particular to fluctuations of the euro against the US dollar, Chinese renminbi, British pound and other currencies such as those of growth markets. An exchange-rate risk or opportunity arises in business operations primarily when revenue is generated in a currency different from that of the related costs (transaction risk). Regularly updated currency risk exposures are successively hedged with suitable financial instruments (predominantly currency forwards) in accordance with exchange-rate expectations, which are continually reviewed, whereby both risks and opportunities are limited as a result. Any over-collateralization caused by changes in exposure is reversed by suitable measures without delay. Exchange-rate risks and opportunities also exist in connection with the translation into euros of the net assets, revenues and expenses of the international Group companies outside the Eurozone (currency translation risk); these risks are not hedged.

Interest rate risks and opportunities

Changes in interest rates can create risks and opportunities for business operations as well as for financial transactions. The Mercedes-Benz Group employs a variety of interest rate-sensitive financial instruments to manage the cash requirements of its business operations on a day-to-day basis. Most of these financial instruments are held in connection with the financial services business of Mercedes-Benz Financial Services. Interest rate risks and opportunities arise when fixed-interest periods are not congruent between the asset and liability sides of the balance sheet. By means of refinancing coordinated with the terms of the financing agreements, the risk of maturity mismatch is minimized from both an interest rate and a liquidity perspective. Remaining interest rate risks are managed with the use of derivative financial instruments. The funding activities of the industrial business and the financial services business are coordinated at the Group level. Derivative interest rate instruments such as interest rate swaps are used to achieve the desired interest rate maturities and asset/liability structures (asset and liability management).

Credit and country risks

Credit risk describes the risk of financial loss resulting from a counterparty failing to meet its contractual payment obligations. Credit risk encompasses both the direct default risk and the risk of a deterioration of creditworthiness as well as concentration risks.



The Group is exposed to credit risks which result primarily from its financial services activities and from the operations of its vehicle business. The risks from leasing and sales financing are dealt with in the “General market risks and opportunities” section.

Credit risks also arise from the Group’s liquid assets. Should defaults occur, this would adversely affect the Group’s profitability, cash flows and financial position. In connection with investment decisions, priority is placed on the borrower’s very high creditworthiness and on balanced risk diversification. Most liquid assets are held in investments with an external rating of A or better.

Country risk describes the risk of financial loss resulting from changes in political, economic, legal or social conditions in the respective country, for example due to sovereign measures such as expropriation or a ban on currency transfers. The Mercedes-Benz Group is exposed to country risks that primarily result from cross-border financing or collateralization for subsidiaries or customers, from investments in subsidiaries and shareholdings, and from cross-border trade receivables. Country risks also arise from cross-border cash deposits at financial institutions. The Group addresses these risks by setting country limits (e.g. for hard-currency portfolios of Mercedes-Benz Financial Services companies). The Mercedes-Benz Group also has an internal rating system that divides all countries in which it operates into risk categories.

Risks and opportunities relating to pension plans

The companies of the Mercedes-Benz Group grant defined-benefit pension commitments as part of pension plans, which are largely covered by plan assets, as well as healthcare commitments to a small extent. The balance of pension obligations less plan assets constitutes the carrying amount or funded status of those employee benefit plans. The measurement of pension obligations and the calculation of net pension expense are based on certain assumptions. Even small changes in those assumptions, in particular a change in the discount rates or changed inflation assumptions, have a negative or positive effect on funded status and Group equity in the current year, and lead to a change in the periodic net pension expense in the following year. The fair value of plan assets is determined to a large degree by developments in the capital markets. Unfavourable or favourable developments, especially relating to share prices and fixed-interest securities, reduce or increase the carrying value of plan assets. Risk management for the plan assets takes place through broad diversification of investments, the selection of various asset managers on the basis of quantitative and qualitative analyses, and the ongoing monitoring of returns and risks. The structure of pension obligations is taken into consideration during the determination of the investment strategy for the plan assets in order to reduce fluctuations of the funded status.

Legal and tax risks and opportunities

The Group continues to be exposed to legal and tax risks. It recognizes provisions for such risks if and to the extent it is probable that the Group will be held liable and the amount of the obligations can be reasonably estimated.

Legal risks

Regulatory risks

The automotive industry is subject to extensive governmental regulations worldwide. Laws of various jurisdictions govern, among other things, the environmental impact of vehicles, including emissions levels, fuel economy and noise, as well as the emissions of the factories where vehicles or parts thereof are produced. For example, regulation extends to vehicle safety, including occupant safety; the export of vehicles and vehicle parts; supply chains; the handling of personal data; the protection of human rights and financial services. Furthermore, regulation, particularly in the European Union, governs communication regarding sustainability topics (environmental, social and governance topics), whereby such regulation remains complex. The introduction of certain new regulations may be associated with uncertainties relating to their interpretation. Furthermore, the advancing regulation may, also as an outcome of global developments, evolve differently and even inversely depending on the



region, potentially resulting in negative effects on the profitability, cash flows and financial position. Also, the risk of non-compliance with such regulations may rise, especially if regulations in different regions contradict one another. In the event that applicable regulations are not complied with, this can result in significant penalties, damages claims, reputational harm and/or exclusion from tenders. In the case of regulations applicable to vehicles, this can even lead to the inability to certify vehicles in the affected markets. The expenses of compliance with these regulations are considerable, and in this context the Mercedes-Benz Group continues to expect a significant level of costs.

Risks from legal proceedings

Mercedes-Benz Group AG and its subsidiaries are confronted with various legal proceedings and claims as well as governmental investigations and orders (legal proceedings) covering a wide range of topics. Such topics may include, amongst others, the aforementioned regulated areas, dealer, supplier and other contractual relationships, intellectual property rights (especially patent infringement lawsuits), as well as warranty claims or antitrust matters (including actions for damages) and investor litigation. Product-related litigation involves, among other things, claims alleging faults in vehicles. Some of these claims are asserted by way of class actions. If the outcome of such legal proceedings is detrimental to the Mercedes-Benz Group or such proceedings are settled, the Group may encounter substantial financial burdens, e.g. from damages payments, monetary penalties, service actions, recall campaigns or other costly actions. Some of these proceedings and related settlements may also have an impact on the company's reputation and/or lead to the exclusion from tenders. The risks arising from the legal proceedings described below currently constitute the risks deemed material for the Mercedes-Benz Group; however they are not a complete description of all risks arising from legal proceedings.

Investors from Germany and abroad have filed lawsuits for damages with the Stuttgart Regional Court alleging the violation of disclosure requirements under capital markets law (main proceedings) and have also raised out-of-court claims for damages. The investors allege that Mercedes-Benz Group AG did not immediately

disclose inside information in connection with the emission behaviour of its diesel vehicles and that it had made false and misleading public statements. Mercedes-Benz Group AG regards these lawsuits and out-of-court claims as being without merit and defends itself against them. Since 2021, model case proceedings under the German Act on Model Case Proceedings in Disputes under Capital Markets Law (KapMuG) (model case proceedings) have been pending before the Stuttgart Higher Regional Court in this context. Multiple investors have used the possibility to register claims in a considerable amount with the model case proceedings in order to suspend the period of limitation. Mercedes-Benz Group AG is of the view that it has duly fulfilled its disclosure obligations under capital markets law and defends itself against the investors' allegations also in these model case proceedings.

In addition, in Germany, a large number of customers of Mercedes-Benz diesel vehicles have filed lawsuits for damages or rescission of sales contracts. They assert that the vehicles contained illegal defeat devices and/or showed impermissibly high emission values. In particular, they refer to recall orders of the German Federal Motor Transport Authority (KBA), which the KBA based on its view that the Mercedes-Benz Group had used impermissible defeat devices. Although the number of pending lawsuits is declining, a future increase cannot be ruled out. Following a decision of the European Court of Justice (ECJ) in the first quarter of 2023, the German Federal Court of Justice ruled in the second quarter of 2023 that vehicle purchasers are entitled to claim damages against the manufacturer if it



intentionally or negligently used an inadmissible defeat device. Various preliminary proceedings on legal issues related to diesel exhaust emissions are pending before the ECJ. In an opinion on a preliminary proceeding, which has since been deleted, the competent Advocate General of the ECJ has taken on a very broad interpretation of the emission regulations. If the ECJ were to adopt this position in further proceedings, new orders for remedial actions by authorities and new lawsuits cannot be ruled out. This may have a negative effect on, inter alia, the Mercedes-Benz Group. With similar allegations as in the aforementioned lawsuits by individual customers, the Federation of German Consumer Organizations (Verbraucherzentrale Bundesverband e.V.) filed a model declaratory action (Musterfeststellungsklage) against Mercedes-Benz Group AG with the Stuttgart Higher Regional Court in 2021. Such an action seeks a ruling that certain preconditions of alleged consumer claims are met. In March 2024, the Stuttgart Higher Regional Court largely granted the model declaratory action. Mercedes-Benz Group AG and, in respect of the dismissed claims, also the plaintiff have appealed against the decision to the Federal Court of Justice.

In the United Kingdom (in England, Wales and in Scotland), consumer class actions have also been filed against the Mercedes-Benz Group with similar allegations as in the aforementioned lawsuits by customers in Germany. Here, the plaintiffs also claim that the Mercedes-Benz Group had deceived consumers in connection with advertising statements for Mercedes-Benz diesel vehicles. The proceedings in England and Wales consist of several individual lawsuits that have been consolidated into one class action. The plaintiffs in this class action also allege, amongst others, anti-competitive behaviour relating to technology for the treatment of diesel exhaust emissions. Since 2019, consumer class actions raising similar allegations as in the United Kingdom had been filed in Israel, the Netherlands, Portugal and Australia against Mercedes-Benz Group AG and further Group companies. The proceeding in Israel was concluded in March 2025 with a court approved settlement in which the Mercedes-Benz Group consents to continue the implementation of diesel-related field measures. Due to this development in Israel and because the consumer class actions in Portugal and Australia do not constitute a material risk to the Mercedes-Benz Group based on its current assessment, the Mercedes-Benz Group will no longer report on these proceedings.

As previously reported, in the past, US state authorities had opened investigations pursuant to both local environmental and consumer protection laws in connection with diesel exhaust emissions of Mercedes-Benz vehicles and had requested documents and information. In the third quarter of 2025, the

Mercedes-Benz Group reached an agreement in principle with these authorities to settle claims under local environmental and consumer protection laws. As part of this settlement, the Mercedes-Benz Group denies the allegations raised in the investigations and does not admit liability, but agrees to make settlement payments. The settlement is subject to final approval by the relevant state authorities and courts, and it still needs to be memorialized in binding consent judgements. The Mercedes-Benz Group expects the total costs for these settlements to reach a low three-digit million-euro amount and has recognized corresponding provisions.

The activities of various further authorities worldwide (e.g. the German KBA, the South Korean authorities, the Canadian environmental regulator and the Brazilian antitrust authority) in connection with diesel exhaust emissions of Mercedes-Benz vehicles are partly ongoing. In the past, these activities carried the risk that authorities raise new suspicions, initiate investigations or make certain determinations and that plaintiffs or further authorities could adopt such suspicions or determinations. In the view of the Mercedes-Benz Group, these risks have meanwhile decreased and they currently do not, either individually or in their entirety, constitute a material risk for the Mercedes-Benz Group. The Mercedes-Benz Group continues to fully cooperate with the relevant authorities; however it will no longer report on these administrative proceedings and activities in the future.

Nevertheless, negative allegations or findings in court proceedings may have the consequence that one or more administrative authorities worldwide initiate, or have to initiate, proceedings or take, or have to take, measures against the Mercedes-Benz Group. Therefore, it cannot be ruled out that the Mercedes-Benz Group will become subject to, as the case may be, significant additional fines and other sanctions, measures and actions as well as claims. Furthermore, such detrimental judicial findings could also be adopted by authorities or other courts as well as by plaintiffs, and negative allegations raised by plaintiffs could be adopted in court decisions. The occurrence of such events could therefore impair the ability of the Mercedes-Benz Group to defend itself in legal proceedings. Likewise, the ability of the Mercedes-Benz Group to defend itself could also be affected depending on how and by which means legal proceedings are concluded. The occurrence of the aforementioned events in whole or in part could cause significant damage to the Mercedes-Benz Group.

In 2021, individual persons associated with Deutsche Umwelthilfe e.V. (DUH) filed a lawsuit before the Stuttgart Regional Court against Mercedes-Benz AG. They claim injunctive relief, demanding that Mercedes-Benz AG refrain from distributing passenger cars with combustion engines after November 2030 and reduce

its respective sales prior to this point in time. In the first instance the claim was dismissed in its entirety and in 2023, the Higher Regional Court of Stuttgart upheld this decision and dismissed the plaintiffs' appeal as manifestly unfounded. The German Federal Court of Justice has allowed the appeal by the plaintiffs. Mercedes-Benz AG will continue to defend itself against the plaintiffs' allegations.

Mercedes-Benz Group AG and the respective other affected companies of the Group regard the pending lawsuits set out in this section as being without merit and continue to defend themselves against them.

If court proceedings have an unfavourable outcome for the Mercedes-Benz Group, the Group may encounter substantial financial burdens, e.g. from damages payments, remedial works or other cost-intensive measures. Court proceedings can also have an adverse effect on the reputation of the Group.

As legal proceedings are fraught with a large degree of uncertainty, it is possible that the provisions recognized for them may prove to be insufficient in some cases after their final procedural resolution. As a result, substantial additional expenditures may arise. This also applies to legal proceedings for which the Group has seen no requirement to recognize a provision.

It cannot be ruled out that the regulatory risks and risks from legal proceedings discussed above, individually or in the aggregate, may materially adversely impact the profitability, cash flows and financial position of the Group or any of its segments.

Although the final result of any such litigation may influence the Group's earnings and cash flows in any particular period, the Mercedes-Benz Group believes that any resulting obligations are unlikely to have a sustained effect on the Group's financial position.

Further Information can be found in the Consolidated Financial Statements in the chapter "Notes to the Consolidated Financial Statements" under the Note "[Legal proceedings](#)".

**Tax risks and opportunities**

Mercedes-Benz Group AG and its subsidiaries operate in many countries worldwide and are therefore subject to numerous different statutory provisions and tax audits. Tax risks and opportunities can affect the profitability, cash flows and financial position of the Group. Additionally, there are minor tax risks to the operating result.

Any changes in legislation and jurisdiction, as well as different interpretations of the law by the fiscal authorities, especially in the field of cross-border transactions, may be subject to considerable uncertainty. It is therefore possible that the provisions recognized will not be sufficient, which could have negative effects on the Group's net profit and cash flows.

Positive effects on the Group's net profit and cash flows are also possible as a result of retroactive legislation, future court rulings or changes in the opinions of the tax authorities.

Any changes or interventions by the fiscal authorities are continuously monitored by the tax department and measures are taken if required. The monitoring, management and avoidance of tax risks is supported by a Tax Compliance Management System (Tax CMS).

In addition, if future taxable income is not earned or is too low, there is a risk that the tax benefit from loss carryforwards and tax-deductible temporary differences may not be recognized or may no longer be recognized in full; this could have a negative impact on net profit. However, there is an accounting opportunity that tax benefits currently not recognized in full may be utilized or recognized in future years and could thus also have a positive impact on the Group's net profit.

Overall assessment of the risk and opportunity situation

The overall view of the Group's risk and opportunity situation is the sum of the described individual risks and opportunities in all risk and opportunity categories.

As part of the "Next Level Performance" (NLP) programme, the Mercedes-Benz Group has set itself ambitious targets to meet the diverse challenges in the automotive industry. If the programme measures adopted in the divisions do not take effect within the planned time frame or to the full extent, this could have negative impacts on the profitability, cash flows and financial position. The effects described can be reflected in all areas of the company and are included in the corresponding risk categories.

In addition to the risks described, unforeseeable events can have a negative impact on the business activities and thus on the Mercedes-Benz Group's profitability, cash flows and financial position and its reputation and non-financial key figures as well as on society and the environment.

No risks were recognizable – neither on the reporting date nor at the time of preparing the Consolidated Financial Statements – that either alone or in combination with other risks could endanger the continued existence of the Group.



Mercedes-Benz Group AG (condensed version in accordance with the German Commercial Code)

In addition to reporting on the Mercedes-Benz Group, the Annual Financial Statements of Mercedes-Benz Group AG for 2025 are explained below.

The Annual Financial Statements of Mercedes-Benz Group AG are compiled in accordance with the provisions of the German Commercial Code (HGB) and the provisions of the German Stock Corporation Act (AktG). The Consolidated Financial Statements are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU). This results in some differences with regard to recognition and measurement methods, primarily in connection with provisions, financial instruments, the leasing business and deferred taxes.

The Annual Financial Statements 2025 of Mercedes-Benz Group AG, for which PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft has issued an unqualified audit opinion, can be viewed on the Mercedes-Benz Group website at group.mercedes-benz.com/investors/reports-news/annual-reports/2025 and will be published in the Company Register.

Net profit is the key performance indicator for Mercedes-Benz Group AG.

Profitability

Net profit amounted to €1.5 billion, which was significantly below the figure of €8.6 billion recorded in the previous year. The previous year's Outlook predicted a slightly lower net profit than that for the previous year. The main reason was a financial result that fell significantly short of expectations, primarily due to declining sales, increased customs duties, and additional expenses related to optimization programmes at the subsidiaries.

Mercedes-Benz Group AG primarily generated **revenue** from the provision of services to companies of the Group.

Cost of sales primarily comprises expenses incurred for the services provided to companies of the Group.

General administrative expenses increased by approximately €0.2 billion, mainly due to redundancy payments related to optimization programmes (€0.2 billion).

Condensed statement of income of Mercedes-Benz Group AG

	2025	2024
In millions of euros		
Revenue	1,325	1,395
Cost of sales	-1,310	-1,382
General administrative expenses	-770	-644
Other operating income	25	68
Operating profit/loss	-730	-563
Financial Income	2,000	10,584
Income taxes	264	-1,449
Net profit	1,534	8,572
Withdrawals from retained earnings (2024: transfer to retained earnings)	1,817	-4,286
Cancellation of open deduction of calculated value of treasury shares	-	-83
Acquisition and cancellation of treasury shares	-	-4,916
Offset against other retained earnings	-	4,999
Distributable profit	3,351	4,286

Financial income decreased by €8.6 billion to €2.0 billion. The decrease in the financial income with respect to the previous year is primarily due to lower income from investments in subsidiaries and associated companies. This was the result in



particular of lower profit transfers from subsidiaries and lower dividends from subsidiaries and associated companies.

The **tax income** amounted to €0.3 billion (2024: expense of €1.4 billion). Deviating from the prior year, a tax loss was incurred within the tax group in 2025. The reported tax income results primarily from prior periods.

Financial position

Total assets of €66.6 billion were below the level of the previous year (2024: €76.1 billion).

Receivables, securities and other assets decreased compared with 31 December 2024 by €9.8 billion to €19.9 billion. This is the result of the decrease in receivables from subsidiaries of €10.2 billion, which in turn was caused by lower receivables from profit transfers.

Condensed statement of financial position of Mercedes-Benz Group AG

	At 31 December	
	2025	2024
In millions of euros		
Assets		
Non-current assets	39,516	39,637
Receivables, securities and other assets	19,890	29,719
Cash and cash equivalents	6,974	6,552
Current assets	26,864	36,271
Prepaid expenses	179	189
Total assets	66,559	76,097
Equity and liabilities		
Share capital	3,070	3,070
Calculated value of treasury shares	-18	-
Capital reserve	11,480	11,480
Retained earnings	18,974	20,956
Distributable profit	3,351	4,286
Equity	36,857	39,792
Provisions for pensions and similar obligations	224	256
Other provisions	1,630	1,833
Provisions	1,854	2,089
Notes/bonds and commercial paper	11,089	11,041
Other liabilities	16,759	23,175
Liabilities	27,848	34,216
Total equity and liabilities	66,559	76,097

Equity decreased by €2.9 billion to €36.9 billion in the reporting year. This decrease was a result of the dividend payment of €4.1 billion to the shareholders of Mercedes-Benz Group AG and the acquisition of treasury shares at a total purchase price of €0.3 billion as part of share buyback programme started on 3 November 2025. As of 31 December 2025 Mercedes-Benz Group AG holds 6 million treasury shares. Disclosures pursuant to Section 160 Subsection 1 No. 2 of the German Stock Corporation Act (AktG) are contained in the Annual Financial Statements of Mercedes-Benz Group AG in accordance with the statutory requirements. This was offset by the net profit for the financial year of €1.5 billion. The equity ratio as of the balance sheet date was 55.4% (2024: 52.3%).

Provisions decreased by €0.2 billion to €1.9 billion. This was mainly due to the decrease in provisions for taxes.

Other Liabilities decreased by €6.4 billion to €16.8 billion. This change is primarily the result of the decrease in liabilities to subsidiaries of €6.6 billion, which in turn was caused by lower intra-Group financial liabilities.



Cash Flows, Liquidity and Capital Resources

The **Statements of Cash Flows** of Mercedes-Benz Group AG according to the German Commercial Code (HGB) include the following exceptions, which deviate from DRS 21: dividends from subsidiaries as well as intra-Group offsetting of services from corporate functions are presented in cash flow from operating activities even when they are off- set by means of cash pooling procedures. The same applies to capital increases and capital repayments from subsidiaries being presented in Cash flow from investing activities. An offsetting recognition of cash pooling procedures takes place in Cash flow from financing activities.

Cash and cash equivalents increased by €0.4 billion compared to the prior year and were influenced by the following developments:

Cash flow from operating activities amounted to €1.7 billion in the reporting year (2024: €0.0 billion). This cash inflow resulted primarily from dividends from subsidiaries and associated companies. In the prior year, the cash inflows from dividends were offset by the cash outflows from tax payments.

Cash flow from investing activities resulted in a cash outflow of €0.5 billion in 2025 (2024: €0.4 billion). Lower inflows from capital repayments by subsidiaries and associated companies were offset by lower outflows from purchases and sales of securities undertaken as part of liquidity management.

Cash flow from financing activities showed a cash outflow of €0.8 billion in the reporting period (2024: cash inflow of €0.4 billion). The change compared to the prior year resulted from lower cash inflows from subsidiaries as part of central financial and liquidity management. Conversely, cash outflows from share buybacks, the repayment of external financing liabilities and dividend payment to shareholders of Mercedes-Benz Group AG decreased year-on-year.

Outlook

The financial position, cash flows and profitability of Mercedes-Benz Group AG depend on the business development and the performance of its operating subsidiaries and associated companies, in whose development it participates through profit-and-loss transfer agreements and dividend distributions.

Due to the interrelations between Mercedes-Benz Group AG and the companies of the Group, the statements in the chapter “[Outlook](#)” also reflect our expectations for the parent company.

For the 2026 financial year, Mercedes-Benz Group AG expects a net profit that will be significantly lower than the previous year.

Risks and opportunities

The business development of Mercedes-Benz Group AG mainly depends on the development of its world-wide subsidiaries and is therefore – through the profit and loss contributions from subsidiaries and associated companies – fundamentally subject to the same risks and opportunities as is the business development of the Group.

Mercedes-Benz Group AG generally participates in the risks of its subsidiaries and associated companies in line with the percentage of its respective equity interest. The Group’s risks and opportunities are described in the “[Risk and Opportunity Report](#)”.

Risks may additionally arise from relations with subsidiaries and associated companies in connection with statutory or contractual liability obligations (in particular with regard to financing), from impairments of financial assets and from impairments of financial receivables from subsidiaries and associated companies.



Sustainability Statement

General information

Basis of preparation of the sustainability reporting

The Sustainability Statement includes the sustainability reporting for the Mercedes-Benz Group and Mercedes-Benz Group AG. For the Mercedes-Benz Group AG, it is prepared in accordance with the provisions of Sections 289b – 289e of the German Commercial Code (HGB) for the Non-Financial Declaration. For the Mercedes-Benz Group, it is prepared on a consolidated basis and fulfils the requirements for non-financial reporting obligations according to Sections 315b to 315c HGB (Non-Financial Group Statement). The content is summarized in the chapter [“Combined Non-Financial Declaration of the Mercedes-Benz Group and Mercedes-Benz Group AG”](#). The reporting also fulfils the requirements for the sustainability statement according to Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and the European Sustainability Reporting Standards (ESRS).

In the current reporting year, the Mercedes-Benz Group is making use of the simplification “Quick Fix” created by the delegated act amending Appendix C of ESRS 1. Accordingly, reduced reporting is provided on the chapters “Biodiversity and ecosystems”, “Workers in the value chain”, “Affected Communities” and “Consumers and end-users”.

The Sustainability Statement was prepared on the basis of the scope of consolidation of the Mercedes-Benz Group’s Consolidated Financial Statements. Further information can be found in [“Note 3”](#) of the Notes to the “Consolidated Financial Statements”. Beyond the scope of consolidation, the Mercedes-Benz Group has not identified any application of operational control as defined by the ESRS.

The information pursuant to Article 8 of Regulation 2020/852 (Taxonomy Regulation) for the Mercedes-Benz Group is included in the [“Environmental information”](#). The Group is already using the new EU regulation published in July 2025 (Delegated Regulation (EU) 2026/73) for the reporting year 2025.

Sustainability reporting is based on EU legal frameworks. This neither affects nor replaces the locally applicable law of subsidiaries outside the European Union. The ESRS and the Taxonomy Regulation as well as the

delegated acts issued in connection with it and the respective supplementary interpretation documents of the EU Commission, contain formulations and terms that are subject to considerable uncertainty as to interpretation. Due to the risk that vague legal terms can be interpreted differently, the legal conformity of the interpretation is subject to uncertainty.

The Mercedes-Benz Group’s Sustainability Statement covers the entire value chain. The value chain is summarized in three stages in the statement: upstream value chain, own business activities and downstream value chain of the Mercedes-Benz Group. The value chain is described in the chapter “Corporate Profile” under [“Overview”](#). Reporting on policies, actions and targets as well as metrics with regard to the upstream and downstream value chain is limited to relevant available information, such as data available to the Mercedes-Benz Group and publicly accessible information. The Group reviews annually which information relevant to the upstream and downstream value chain is available for reporting.

The Mercedes-Benz Group involves its stakeholders in identifying the material sustainability-related impacts, risks and opportunities of its business activities along its value chain. In addition to other procedures, it thus takes their interests into account when defining its



strategic sustainability priorities. Further information can be found in the chapter “Strategy” under [“Interests and views of stakeholders”](#).

The Mercedes-Benz Group generally implements the policies and actions presented continuously across the Group, unless a different scope of application is defined separately. Actions that will be implemented at a specific point in time or in the future are explained accordingly. The Group continuously monitors the effectiveness of its actions and policies based on reported targets and the development of relevant key figures in relation to target achievement. These key figures are validated through internally defined processes and are exclusively audited by the appointed statutory auditor. Changes or adjustments in the preparation of key figures compared with a prior reporting period are explained at the relevant points in the report. If no quantitative targets are specified, effectiveness is tracked using internally defined indicators, processes, and analyses.

The engine and powertrain plants are organizationally assigned to the Mercedes-Benz Cars segment. Accordingly, production-related targets and the associated metrics are assigned to this segment.

The Mercedes-Benz Group has set quantitative targets progress measurement where concrete and verifiable metrics can be determined. The targets are reviewed annually and adjusted as needed. Company-specific targets are guided, among other factors, by the Group’s

strategic direction, stakeholder feedback and competitive analyses. They are discussed and verified in the responsible committees. Wherever targets are based on scientific evidence, this is stated at the corresponding place in the report. Unless otherwise specified, the 2024 reporting year serves as the baseline for progress reports on targets.

The Board of Management of the Mercedes-Benz Group AG is the responsible management body with regard to, among other things, strategies, policies, actions and targets, as well as the provision of the corresponding resources. Its responsibilities, along with the responsibilities of the Supervisory Board, are outlined in the “General information” in the chapter “Governance” under [“Tasks and responsibilities of the Board of Management and the Supervisory Board with regard to sustainability”](#). Further details and more specific classifications are explained at the relevant points in the report.

Estimations of the upstream and downstream value chain

Greenhouse Gas (GHG) Scope 3 emissions were partly defined using indirect sources or sector average data. The basis for the determination and the resulting degree of accuracy are indicated accordingly. Metrics for disclosure requirement ESRS E1-6 can be found in the chapter “Climate change” under [“Metrics – Greenhouse gas emissions”](#).

The Group is continuously working to optimize the data quality of its Scope-3-emissions. Among other things, it joined the Catena-X initiative to increase data transparency in the upstream value chain. Further information can be found in the chapter “Climate change”, in the section “Climate change mitigation in the upstream value chain” under [“Data transparency”](#).

Time horizons

Sustainability reporting is generally aligned with legally defined time horizons. Accordingly, the short-term time horizon is one year, the medium-term two to five years and the long-term more than five years.

Deviations arise with regard to the climate scenario analysis. This is derived from internal and international goals (e.g. the Paris Agreement on climate change) as well as recognized scenarios and evaluated impacts of climate change up to 2030 for medium-term adaptations and up to 2050 for long-term adaptations.

Index of disclosure requirements

The disclosure requirements covered in accordance with ESRS are shown in the appendix [“Index of disclosure requirements”](#).



Statement on due diligence

Core elements of due diligence	Paragraphs in the Sustainability Statement	Disclosure requirements
a) Embedding due diligence in governance, strategy and business model	General information > Governance > Tasks and responsibilities of the Board of Management and the Supervisory Board with regard to sustainability	ESRS 2, GOV-2
	General information > Governance > Integration of sustainability-related performance in incentive schemes	ESRS 2, GOV-3
	General information > Strategy > Material topics, impacts, risks and opportunities Environmental information > Material topics, impacts, risks and opportunities and their interaction with strategy and business model Social information > Material topics, impacts, risks and opportunities and their interaction with strategy and business model Governance information > Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS 2, SBM-3
	General information > Governance > Tasks and responsibilities of the Board of Management and the Supervisory Board with regard to sustainability	ESRS 2, GOV-2
b) Engaging with affected stakeholders in all key due steps of the due diligence.	General information > Strategy > Interests and views of stakeholders	ESRS 2, SBM-2
	General information > Strategy > Process for materiality assessment	ESRS 2, IRO-1
	Environmental information > Policies Social information > Policies Social information > Own workforce > Engagement with own workforce Social information > Own workforce > Remediation of negative impacts and channels for own workforce to raise concerns Governance information > Corporate culture	ESRS 2, MDR-P, 2.17 (E4, S2, S3, S4); E1-2; E2-1; E3-1; E5-1; S1-1, S1-2, S1-3; G1-1
	General information > Strategy > Process for materiality assessment	ESRS 2, IRO-1
	General information > Strategy > Material topics, impacts, risks and opportunities (IROs) Environmental information > Material impacts, risks and opportunities and their interaction with strategy and business model Social information > Material impacts, risks and opportunities and their interaction with strategy and business model Governance information > Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS 2, SBM-3 (E1; E2; E3; E5; S1; G1)
	Environmental information > Actions Environmental information > Climate Change > Transition plan for climate change mitigation Social information > Actions Governance information > Corporate culture; Compliance with laws and regulations; Prevention of corruption and bribery; Reporting of legal and rule violations; Political influence and the representation of interests	ESRS 2, MDR-A, 2.17 (E4, S2, S3, S4); E1-1, E1-3; E2-2; E3-2; E5-2; S1-4; G1-1, G1-3, G1-5
e) Tracking the effectiveness of these efforts and communication	Environmental information > Metrics Social information > Metrics Governance information > Prevention of corruption and bribery; Political influence and the representation of interests	ESRS 2, MDR-M, 2.17 (E4, S2, S3, S4); E1-5, E1-6, E1-7, E1-8; E2-4, E2-5; E3-4; E5-4, E5-5; S1-6, S1-7, S1-8, S1-9, S1-10, S1-14, S1-16, S1-17; G1-4, G1-5
	Environmental information > Targets Social information > Targets	ESRS 2, MDR-T, 2.17 (E4, S2, S3, S4); E1-4; E2-3; E3-3; E5-3; S1-5



Governance

The role of the administrative, management and supervisory bodies

The German Stock Corporation Act stipulates a dual management system for Mercedes-Benz Group AG. Accordingly, a strict separation of personnel and functions is provided between the Board of Management as the management body and the Supervisory Board as the supervisory body (two-tier board). The Board of Management manages the company, while the Supervisory Board monitors and advises the Board of Management.

Composition of the Board of Management and the Supervisory Board

The Board of Management of Mercedes-Benz Group AG consists of eight members as of 31 December 2025. The Supervisory Board consists of 20 members in accordance with the German Co-determination Act. Half of these are elected by the shareholders at the Annual General Meeting and half by the employees of the company's German operations. The ten employee representatives are made up of seven employees of the company and three representatives of trade unions. These trade unions are represented in Mercedes-Benz Group AG or in another company whose employees participate in the election of the Supervisory Board members of Mercedes-Benz Group AG.

Independence of the Supervisory Board

According to the independence review carried out by the Supervisory Board of Mercedes-Benz Group AG, as in the previous year, 100% of the shareholder representatives are independent within the meaning of the German Corporate Governance Code as well as the Corporate Sustainability Reporting Directive (CSRD) in conjunction with the European Sustainability Reporting Standards (ESRS) as of 31 December 2025.

With regard to employee representatives on the Supervisory Board, it is still not sufficiently clear whether, according to CSRD and ESRS, the status of employee representatives already precludes independence. Until further notice, the employee representatives on the Supervisory Board are therefore still not considered independent in this context as a precautionary measure. Under this premise, in accordance with CSRD and ESRS, as in the previous year, 50% of all Supervisory Board members of Mercedes-Benz Group AG are independent.

Diversity of the Board of Management and the Supervisory Board

The overall requirement profiles for the Board of Management and the Supervisory Board approved by the Supervisory Board of Mercedes-Benz Group AG include, among other things, diversity aspects, e.g. in relation to gender, age, internationality, and educational and professional background. Further information on the overall requirement profiles with

diversity concepts and competence profiles for the reporting period 2025 and on their adjustment with effect from 1 January 2026 can be found in the chapter [“Declaration on Corporate Governance”](#).

Distribution by gender¹ and age

	2025	2024
Board of Management²		
Men (in %)	87.5	62.5
Women (in %)	12.5	37.5
62 years or younger (in %) ³	100	87.5
52 years or younger (in %) ³	37.5	37.5 ⁴
Supervisory Board⁵		
Men (in %)	55	60
Women (in %)	45	40
72 years or younger (in %) ⁶	100	100
62 years or younger (in %) ⁶	75	80

1 In fulfilment of the criteria of the overall requirement profile applicable to the reporting period as of 31 December 2025.

2 Eight members.

3 At the start of their current term of office.

4 Based on the standard retirement age of 57 years (as per the 2024 requirements profile)

5 20 members.

6 At the time of their election or re-election for a full term.

In fulfilment of the Board of Management's overall requirements profile applicable to the reporting period, as as of 31 December 2025 the majority of the members had international experience, as in the previous year. The Chair of the Board of Management is of international origin. As in the previous year, 37.5% of the members of the Board of Management have a technical training or professional background.



As of 31 December 2025, the Supervisory Board of the Mercedes-Benz Group represents a broad spectrum of training or professional backgrounds, fulfilling the criteria of the overall requirements profile applicable for the reporting year.

Experience of the Board of Management and the Supervisory Board

All members of the Board of Management of Mercedes-Benz Group AG are familiar with the automotive sector, products and geographical locations that are relevant to the company. This is underpinned, among other things, by their individual skills and experience from many years of work for the company, including at international locations. China is represented by a separate executive division managed from China.

The members of the Supervisory Board of Mercedes-Benz Group AG are all familiar with the sector in which the company operates. By law, the Supervisory Board must include at least two financial experts. In addition, the Supervisory Board has defined nine specialist areas of expertise in addition to regional expertise in the requirements profile applicable in the reporting period. These areas of expertise include sustainability. Further information can be found in the chapter “Declaration on Corporate Governance” under [“Qualification matrix of the Supervisory Board members”](#).

The international experience of the shareholder representatives on the Supervisory Board during the

reporting period extends to the regions particularly relevant for the Mercedes-Benz Group: Germany, Europe, America and Asia-Pacific (especially Greater China).

In a specially designed onboarding programme, new members of the Supervisory Board have the opportunity to meet members of the Board of Management and senior executives responsible for specific subjects. This allows them, among other things, to gain an overview of the company’s products. Furthermore, individual members of the Board of Management are available for direct exchange on the Group’s relevant sustainability topics. The product strategy and its implementation, the further development of the product portfolio and individual large product projects are recurring topics in the ongoing work of the Supervisory Board.

Expertise to oversee sustainability matters

The Board of Management and the Supervisory Board determine whether and what kind of sustainability-related expertise is present among the members by taking into account the experience gained in their respective mandates, their CVs and by self-disclosures. Knowledge and experience in the area of sustainability are also taken into account in the overall requirements profile for the Supervisory Board. This criteria of the requirements profile should be included in the Supervisory Board’s nominations for the election of shareholder representatives by the Annual General Meeting.

Web-based training courses are also available for members of the Board of Management – as for all other managers.

The Group Sustainability Committee (GSC) and the Sustainability Competence Office (SCO) are available to the Board of Management of Mercedes-Benz Group AG as internal experts.

Furthermore, the Board of Management and the Supervisory Board have the option of consulting external experts from the sustainability dimensions of environment, social and governance.

The Advisory Board for Integrity and Sustainability also provides impetus for the Group’s sustainability work. Its members are independent experts from the fields of environmental and social policy, transport and mobility development, and human rights and ethics. The Advisory Board supports the Mercedes-Benz Group in a constructive and critical manner on issues of integrity, sustainability and corporate responsibility. It meets several times a year under the leadership of the Board of Management member responsible for Integrity, Governance & Sustainability. In addition, an exchange with the members of the Supervisory Board and the Board of Management takes place.

The Board of Management and the Supervisory Board draw on internal and, where appropriate, external expertise on sustainability to address strategically relevant sustainability issues and the associated impacts, risks and opportunities.



Tasks and responsibilities of the Board of Management and the Supervisory Board with regard to sustainability

The task of the Board of Management of Mercedes-Benz Group AG includes, among other things, setting up and continually monitoring and optimizing appropriate and effective internal control, risk, compliance management and internal audit systems and processes in view of the scope of the company's business activities and the company's risk situation. Sustainability-related issues are also considered in the relevant systems and processes. ESG risks and opportunities are integral parts of the Mercedes-Benz Group's risk management system.

The Supervisory Board of Mercedes-Benz Group AG has anchored the cross-divisional control and coordination function for sustainability management (Sustainability Coordinator) within the Board of Management's Integrity, Governance & Sustainability division. Responsibility for managing department-specific sustainability issues remains with the respective Board of Management areas. Without prejudice to the overall responsibility of the Board of Management, each Board member manages their executive division under their own responsibility within this framework. This also includes identifying, addressing and tracking the main sustainability-related impacts, risks and opportunities in the respective division as part of the materiality assessment. In addition, the available resources should be allocated and the corresponding financial means for sustainability matters should be channelled within the framework of Mercedes-Benz Business Planning.

Certain projects with fundamental or material importance require the approval of the entire Board of Management. These include, among other things, strategic sustainability topics.

The Supervisory Board's monitoring and advising of the Board of Management also include sustainability issues. The Board of Management regularly informs the Supervisory Board about the implementation of the sustainable business strategy.

The Audit Committee of the Supervisory Board discusses the effectiveness and functionality of the internal control and risk management system, the internal audit system, and the Compliance Management System at least once a year.

The Group Risk Management Committee (GRMC) informs the Board of Management, the Audit Committee and the Supervisory Board about material risks and opportunities as well as actions that arise for Mercedes-Benz Group AG from the risk management process. This also includes the material risks and opportunities related to sustainability. Further information on the GRMC is described in the "Risk and opportunity report" under "[Risk and opportunity management system and internal control system](#)".

The Group Sustainability Committee meets quarterly under the leadership of the Sustainability Coordinator. The GSC coordinates sustainability issues in line with the targets, metrics and actions decided by the Board of Management across divisions, departments and

regions. Members include the member of the Board of Management appointed as Chief Technology Officer and also for Development and Procurement, the Chief Compliance Officer, who also holds the role of the Group's Human Rights Officer, the Chief Environmental and Energy Officer, the Head of Procurement and Supplier Management, the Head of External Affairs and representatives of other relevant functional areas and all divisions.

The members of the GSC are responsible for the implementing sustainability topics within their respective divisions or functional areas.

The GSC informs the Board of Management and the Supervisory Board of Mercedes-Benz Group AG at least annually on current sustainability topics of strategic relevance. This also includes material impacts, risks and opportunities. Furthermore, the development of the strategic sustainability focus areas and the associated targets, actions and key figures are addressed.

The Sustainability Competence Office is composed of sustainability experts and is anchored in the division Integrity, Governance & Sustainability. In the Sustainability Coordination Meeting (SCM), the SCO enters into dialogue with representatives from all relevant executive divisions and specialist areas. The SCM convenes several times a quarter under the leadership of the SCO. The SCO advises and supports the specialist areas in the further development of the sustainable business strategy, the implementation of regulatory requirements on sustainability, the inte-



gration of relevant sustainability criteria in the Group's governance and core processes, as well as sustainability-related requirements from the Board of Management or the GSC.

During the reporting year, the GSC, the Board of Management and the Supervisory Board were informed of all sustainability-related material impacts, risks and opportunities. The list of material sustainability-related impacts, risks and opportunities can be found in "General information" under "[Material topics, impacts, risks and opportunities](#)".

Further information on the material impacts, risks and opportunities and their management will continue to be provided, among other things, including as part of the annual sustainability reporting process.

Integration of sustainability-related performance in incentive schemes

Sustainability matters are of high importance to the Mercedes-Benz Group and are a central component of the sustainable business strategy. Against this background, the Supervisory Board has implemented a further performance criterion for the Board of Management's remuneration for the reporting year in the form of the sustainability targets. In addition to financial targets, the variable remuneration of the Board of Management and the executives of the other management levels 1-3 and parts of level 4 includes short-term transformation targets for CO₂ emissions (fleet emissions Europe, China and USA), safety

innovations and digital trust. It also includes long-term sustainability targets for the proportionate unit sales of plug-in hybrids (PHEVs) and all-electric vehicles (BEVs), the review of risk raw materials and diversity and inclusion. Furthermore, the variable remuneration includes non-financial targets relating to customers, employees and integrity.

The Mercedes-Benz Group describes its remuneration system, which incorporates sustainability aspects, including climate-related elements in the Board of Management's remuneration in its remuneration report. The information is available at the following link group.mercedes-benz.com/board-of-management/remuneration under "Principles of Board of Management remuneration" and "Remuneration components of the Board of Management in the 2025 financial year".

With effect from 1 January 2026, a new remuneration system that was approved by the Annual General Meeting in May 2025 will come into force.

Responsibility for determining the remuneration system

The Supervisory Board of Mercedes-Benz Group AG determines the remuneration system for the Board of Management and the individual remuneration of the members of the Board of Management. The Board of Management remuneration system must be submitted by the Supervisory Board to the Annual General Meeting for approval whenever there is a material change, and in any case at least every four years.

The remuneration of executives is determined by the Board of Management. However, the Supervisory Board ensures that the remuneration system of the Board of Management and that of executives create aligned incentives.

Internal controls and risks of sustainability reporting

The Mercedes-Benz Group counteracts misrepresentation of information in its sustainability reporting through a multi-stage internal control system. The identification of the most important risks is closely derived from the processes and control mechanisms of the financial reporting. Incorrect reporting can result from, among other things:

- misinformation or omissions in reporting,
- incorrect data collection and processing, as well as
- inaccuracies and inconsistencies in estimated values in reporting

To mitigate these risks, the Mercedes-Benz Group has implemented actions including:

- Process descriptions, procedural instructions, and training: Based on regulatory requirements, these comprise guidelines for employees responsible for data collection and reporting. The review of the information takes place in a multi-stage process, from data collection at the company level through



qualitative information to approval by those functionally responsible.

- Internal controls and approvals: Regulatory requirements and internal guidelines are recorded by the respective responsible persons in the specialist departments, necessary actions and processes are implemented, and the presentation is confirmed in the reporting.
- Internal Audit: The internal audit department of the Mercedes-Benz Group independently reviews the controls and processes. It thus supports compliance with laws and regulations, internal guidelines and rules, and the effectiveness of the overall system.

Furthermore, the Sustainability Statement is made available to employee representatives via the General Works Council and the Group Works Council for review and comment before publication.

Process for materiality assessment

The Mercedes-Benz Group carried out a materiality assessment for the 2025 financial year in accordance with the requirements of the CSRD and ESRS. In this way, the Group determined the material impacts of its business activities on the environment and society along the entire value chain as well as material sustainability-related risks and opportunities for the Mercedes-Benz Group. The assessment is based on a list of predefined ESRS topics, supplemented by company-specific topics. The materiality assessment considered both direct business relationships and indirect suppliers, as well as other relevant actors along the entire value chain. Particular attention was paid to regions and processes in the value chain that were identified as particularly risky by the Mercedes-Benz Group's existing due diligence processes. Local conditions were also incorporated into the assessment by localizing the impacts, risks, and opportunities where possible. The value chain of the Mercedes-Benz Group is described in the chapter "Corporate Profile" under "[Value chain](#)". For environmental issues, the company's own business activities and sites were considered, supplemented by a risk assessment of its own assets. The assessment covers the Mercedes-Benz Group, including its segments Mercedes-Benz Cars, Mercedes-Benz Vans and Mercedes-Benz Financial Services.

Upstream value chain

The upstream value chain includes the procurement of production materials (including high-risk materials), non-production materials and services. The Mercedes-Benz Group took into account, among other things, the results of the raw material analysis. This evaluates critical raw materials using indices in a standardized procedure. The indices used include, among others, a country risk assessment based on the Global Risk Map of the Responsible Minerals Initiative (RMI), as well as additional factors related to procurement.

Own business activities

The own business activities include all internal processes and employees of the Mercedes-Benz Group, starting from product development through production to marketing and the sale of vehicles and services. Since the Mercedes-Benz Group operates globally, the assessment prioritized the regions with the largest number of employees. Furthermore, information from the Compliance Management System (CMS) was used.

For the topics of corporate policy and corporate culture, the scope of consolidation also applies, as stated in the "General information" under "[Basis of preparation of the sustainability reporting](#)".



Downstream value chain

The downstream value chain includes the use of Mercedes-Benz vehicles by customers. When the vehicles have reached the end of their lifecycle, their components can be refurbished, recycled or ultimately disposed of. Since it is up to the customers to decide where they have their vehicles serviced and where they resell their vehicles, the assessment focused in particular on industry-specific impacts and risks related to maintenance, recycling and disposal processes.

When assessing the impacts, operating leases are equated with the sale of vehicles and are thus assigned to the downstream value chain.

Process to identify material impacts

For the initial materiality assessment for the reporting year 2024 based on CSRD and ESRS, as a first step, the Sustainability Competence Office (SCO) developed an inventory of the positive and negative impacts of the Mercedes-Benz Group's business activities on the environment and society. For this purpose, data available within the Group, secondary data obtained through research and the expert knowledge of the specialist departments were taken into account. Subsequently, experts from the relevant specialist departments of the Mercedes-Benz Group qualitatively assessed the identified sustainability-related impacts.

For the reporting year 2025, the assessment of sustainability-related positive and negative impacts was based on the inventory and results from 2024. The Mercedes-Benz Group considered the impacts, taking into account its activities and plans along the value chain. The sustainability-related impacts and their materiality were identified and assessed with the involvement of all relevant departments and divisions as well as important external stakeholders. As in the prior year, the specialist departments considered the short-, medium- and long-term time horizon when evaluating the impacts. They used 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 specified by the ESRS – scale, scope and irremediability – while for positive impacts it is determined only by scale and scope. The Group selected the materiality threshold in such a way that impacts rated as “high” with regard to severity are always material and impacts rated as “medium” with a high probability of occurrence are also considered material. In addition, the Group identified company-specific actions to reduce risks and impacts. Internal and external experts discussed the preliminary results of the assessment of sustainability-related impacts in topic-specific focus groups. Expert interviews also supplemented the results. The participating stakeholders were selected based on the relevant stakeholder groups, the key topics, the various stages of the value chain and the most important markets and regions for

the Mercedes-Benz Group. The specialist departments reviewed the stakeholder statements and took them into account in the final assessment of the actual and potential negative and positive impacts on the environment and society.

Process to identify material risks and opportunities

Sustainability-related risks and opportunities are understood to be conditions, events or developments related to the sustainability dimensions of environment, social and governance, the occurrence of which may have a potential impact on the Mercedes-Benz Group's profitability, cash flows and financial position, as well as on its reputation.

The assessment of the material risks and opportunities was carried out in the 2025 financial year via the regular risk management process of the Mercedes-Benz Group. The material risks and opportunities related to sustainability newly identified in the reporting year 2024 were transferred to the risk management system after completion of the assessment. There, together with the sustainability-related risks and opportunities already recorded in the risk management system, they form the starting point for the view of 2025. Potential risks and opportunities arising from the identified sustainability-related impacts of the Mercedes-Benz Group along the value chain, as well as in connection with dependencies on ecological and social resources, were also taken into account.



For the risks and opportunities already quantitatively assessed in the risk management system, the Group used the existing assessment, among other things in relation to EBIT, and set a quantitative materiality threshold. Reputational opportunities and risks that cannot be quantified at this time were assessed qualitatively. For this purpose, it uses a three-stage scale (low/medium/high) to assess the possible extent and likelihood of occurrence. The Group selected the materiality threshold in line with the impacts. Further Information on risk management can be found in the “Risk and Opportunity Report” under [“Risk and opportunity management system and internal control system”](#).

Stakeholder validation

The results of the materiality assessment were verified with selected stakeholders. Information from dialogues with focus groups, consisting of internal and external stakeholders, further enriched the results.

Special considerations for identification of material climate-related impacts, risks and opportunities

As part of its materiality assessment, the Mercedes-Benz Group analysed the impacts on climate change, taking into account its activities and plans. In doing so, it considered its greenhouse gas emissions along the value chain.

The Group also carried out a climate-specific scenario analysis to better understand and assess the risks and opportunities along the value chain.

The analysis was based on the classification of risk and opportunity dimensions defined by the Task Force on Climate-related Financial Disclosures (TCFD). It differentiates between transitory and physical climate risks. Transitory climate risks are related to the transition to a low-carbon economy and result from changing political conditions, technological developments and changing markets. Physical risks arise from climatic changes. The fundamental climate-related assumptions regarding the transition to electric vehicles and the associated uncertainties are also considered in the Consolidated Financial Statements. The material climate risks from the materiality assessment were compared with the results of the scenario analysis.

Climate-related transition risks

Using climate scenarios, relevant transition events for the Mercedes-Benz Group were identified. These were validated by assessments from internal experts, aligned with the Group’s strategic direction and supplemented accordingly, including, among other things, changes in demand and prices, new technologies and market expectations as well as political changes. In the climate scenario analysis, the potential impacts of transition events on individual business areas and activities were qualitatively assessed to identify possible risks and evaluate the necessary adjustments to align with the transition to a climate-neutral economy. The analysis covers the key stages of the value chain: supply chain, development and production as well as sales of passenger cars and light commercial vehicles.

For the analysis, which is regularly reviewed for topicality, the climate scenarios “Net Zero Emissions by 2050 Scenario” (NZE) and “Stated Policies Scenario” (STEPS) of the International Energy Agency (IEA) were used, among others. This aims to map a range of possible transformation paths in a uniform, globally applicable and cross-sectoral scenario framework.

The NZE scenario outlines a rigorous path for the global energy sector to achieve net-zero CO₂ emissions by 2050. It aims to limit the global temperature increase by 2100 to 1.5°C relative to pre-industrial levels with at least a 50% probability. Thereby it takes into account technical, economic and regulatory feasibility.



The STEPS scenario projects expected emission reductions based on current political commitments and announced actions by governments. It leads to significantly higher warming.

The analysis evaluates the impacts of climate change up to 2030 for short-term adaptations and for mid- and long-term developments up to 2050. These time horizons were chosen to capture the longer-term nature of the transition events and developments examined. In addition, the observation periods should cover important international goals, such as that of the Paris Climate Agreement. The short- and medium-term time horizon is based on the Group's strategic planning.

Climate-related physical risks

To analyse the impacts of changing climatic conditions, the scenarios SSP2-4.5 and SSP5-8.5 from the Intergovernmental Panel on Climate Change (IPCC) were used. These correspond to a warming of approximately 2.7°C or 4.4°C by the year 2100. The assessment included acute (e.g. floods) and chronic (e.g. persistent changes in temperature and precipitation) consequences of climate change. The considered time horizons up to 2030, 2050, and a long-term trend beyond are based, among other factors, on the lifespan of assets. The analysis for the company's own business activities was carried out on the basis of location coordinates. The focus was on own sites, which are central to the assets and business activities of the Mercedes-Benz Group in the context of climate-related physical risks. In the

next step, actions for adaptation at the locations were identified, which were selected based on the analysis results. Additionally, when evaluating suppliers regarding natural hazards, the vulnerability to production disruptions due to extreme weather events was considered. These analysis results were incorporated into the supplier selection processes.

The results of the scenario analysis are described in the chapter "Climate change" under "[Material impacts, risks and opportunities and their interaction with strategy and business model](#)".

Strategy

Strategy, business model and value chain

The Mercedes-Benz Group acts on the basis of the sustainable business strategy. In doing so, it takes into account, among other things, relevant regulatory requirements, the expectations of external and internal stakeholders and global trends – along the entire value chain. Basic information on the business strategy, the business model and the value chain can be found in the chapter "Corporate Profile" under "[Business model](#)". Information on the employees of the Mercedes-Benz Group can be found in the chapter "Own workforce" under "[Characteristics of the employees of the Mercedes-Benz Group](#)".

The annual review of the strategic sustainability focus areas was carried out in the 2025 financial year. In doing so, the perspectives of all relevant stakeholder groups, as well as macro trends, the materiality assessment, and a benchmark analysis, were taken into account. With the six sustainability focus areas, the Mercedes-Benz Group addresses topics that are material for the environment, society and the company. The six identified focus areas are as follows:

Decarbonization

For the Mercedes-Benz Group, "Ambition 2039" is a pivotal strategic component. By 2039, the entire Mercedes-Benz new vehicle fleet is to become net carbon-neutral¹ across all stages of the value chain and its entire life cycle. The Mercedes-Benz Group sees the electrification of its vehicles as a very important lever. The pace of the transformation is determined by market conditions, infrastructure and consumer behaviour. Since the ramp-up of electromobility is progressing differently in various markets and product categories, the Mercedes-Benz Group is continuously addressing the challenges arising from the set targets as well as any necessary adjustments due to regulatory developments.

¹ Net carbon-neutral means that carbon emissions that have neither been avoided nor reduced at the Mercedes-Benz Group are compensated for by certified offsetting projects.

**Resource Use and Circular Economy**

The Mercedes-Benz Group intends to decouple resource consumption from the growth of its production output, relying on optimized resource utilization and striving for a closed loop along the entire value chain of its vehicles. The aim is to increase the proportion of secondary materials and reduce the consumption of energy, water and waste generated in operations at its locations.

People

With the “Sustainable People Plan”, the Mercedes-Benz Group aims to shape the transformation in a responsible, socially acceptable and future-oriented manner. As an attractive employer, the Group focuses on continuous training and development, flexible working models, an inclusive and trusting culture of collaboration as well as a safe working environment.

Human Rights

Respect for human rights is of central importance to the Mercedes-Benz Group. The Group is committed to ensuring that human rights are respected along the value chain, in its own Group companies and among its partners and suppliers. With the Human Rights Respect System (HRRS), the Mercedes-Benz Group has developed an approach to systematically address the topic of human rights.

Digital Trust

With the focus area of Digital Trust, the Mercedes-Benz Group is meeting the complex challenges of digital transformation. The Group’s ambition is to build and maintain trust in its digital products and services.

Traffic Safety

The Mercedes-Benz Group wants to pioneer accident-free driving and is developing automated driving while taking social and ethical aspects into account.

Responsible business conduct as a basis

For the Mercedes-Benz Group, a corporate culture based on responsibility is an essential basis for entrepreneurial activity and an integral part of its sustainable business strategy. This includes, in particular, integrity, compliance, partnerships and interaction with stakeholder groups.

Interests and views of stakeholders

The Mercedes-Benz Group attaches great importance to the exchange with its stakeholders. This exchange enables the Mercedes-Benz Group to better understand the concerns of its stakeholders. This allows the Group to look at its sustainability commitment from different perspectives, identify new trends and strategically consider relevant information.

Stakeholders are people or groups who are affected by the activities of the Mercedes-Benz Group, have expectations of the Mercedes-Benz Group or are the target group of this reporting. The primary stakeholders of the Mercedes-Benz Group are therefore customers, investors as well as employees, business partners and society as a whole. Furthermore, the Mercedes-Benz Group regularly exchanges information with civil society groups such as NGOs. The Group also maintains contact with associations, trade unions, the media, analysts, municipalities, residents of the Group’s locations and people from science and politics.

The Mercedes-Benz Group has defined clear responsibilities for the exchange with stakeholders across the entire Group and has established specific dialogue formats. The different formats are coordinated by the Board of Management’s Integrity, Governance & Sustainability division and other departments such as External Affairs.

The Group organizes annual Sustainability Dialogues, conducts stakeholder surveys as well as conferences and thematic dialogues – for example in the form of workshops or via the Advisory Board for Integrity and Sustainability. Moreover, the Mercedes-Benz Group monitors current public discussions and participates in industry-specific and cross-industry networks and



initiatives. This allows it to stay informed about current trends and expectations. In addition, the Mercedes-Benz Group evaluates studies and other scientific publications and conducts its own media analyses. This helps the Group, beyond the dialogue it initiates, to identify developments and stakeholder expectations at an early stage.

The Mercedes-Benz Group involved its stakeholders in determining the material impacts, risks and opportunities and thus also took stakeholder interests into account in the annual review of the strategic focus topics of sustainability. Information on this can be found in the chapter “General information” under [“Strategy, business model and value chain”](#) as well as in the chapter [“Process for materiality assessment”](#).

Advisory Board for Integrity and Sustainability

The Advisory Board serves as another important source of impetus for the Group’s sustainability efforts. It meets several times a year under the leadership of the Board of Management member responsible for Integrity, Governance & Sustainability. Additionally, ad-hoc discussions take place with representatives of the Board of Management, along with an annual exchange with members of the Board of Management and the Supervisory Board. Further information on the Advisory Board for Integrity and Sustainability is described in this chapter in the section “Governance” under [“Expertise to oversee sustainability matters”](#).

Sustainability Dialogues

One important dialogue format is the annual Sustainability Dialogue held in Stuttgart. The event enables external stakeholders from different sustainability topics to exchange ideas with members of the Board of Management of the Mercedes-Benz Group AG and the extended management in the form of plenary discussions and working groups. All strategic sustainability focus areas are involved through a working group to ensure the interlocking of external stakeholder perspectives and strategic further development. Members of the Advisory Board for Integrity and Sustainability are involved in conducting the annual Sustainability Dialogue. The most important results of the dialogue were published on the Group’s website. The Mercedes-Benz Group considers the findings from the Stakeholder Dialogue to be valuable feedback.

In addition, Sustainability Dialogues were held in New Delhi (India) and Beijing (China) during the reporting year, where sustainability topics were discussed with local stakeholders at both local and international levels.

Sustainability Update

At its annual Sustainability Update, the Mercedes-Benz Group presented progress and plans regarding sustainability topics to its investors and analysts from the capital market.

Sustainability initiatives and associations

The Mercedes-Benz Group participates in various sustainability initiatives and networks in 2025. This enables it to directly exchange ideas with stakeholders from politics, business and non-governmental organizations on issues of sustainable development. This includes in particular the UN Global Compact (UNGC), the association UN Global Compact Network Germany e.V, which was cofounded by the Mercedes-Benz Group in April 2023, the business network econsense – Forum Nachhaltige Entwicklung der Deutschen Wirtschaft e.V. (Sustainable Development of German Business) and the World Business Council for Sustainable Development. The voluntary commitments that the Mercedes-Benz Group has made with these and other endeavours also serve as guardrails for political advocacy.

Employee survey

The Mercedes-Benz Group regularly conducts a group-wide employee survey. The results are made available anonymously across the Group. The survey is an important instrument to obtain a comprehensive understanding of employees’ needs and sentiment towards their employer. Addressed are, among other things, questions on commitment and working conditions, strategy, diversity, integrity and sustainability. The last survey took place in the reporting year 2025. Detailed information on the employee survey can be found in the chapter “Own workforce” under [“Employee representation and social dialogue”](#).

**Dialogue on human rights**

The Mercedes-Benz Group attaches great importance to further developing and implementing the Human Rights Respect System (HRRS) together with external stakeholders. Furthermore, the company systematically involves potentially affected stakeholders in the review of its 24 identified critical raw materials in order to identify human rights and environmental risks and implement appropriate actions. Further information can be found in the chapter “Workers in the value chain” under “[Actions](#)”. In addition, trips to mining areas, including Madagascar, took place during the reporting period. These on-site visits serve to establish contact with potentially affected individuals and to involve them in the development of actions. The Mercedes-Benz Group is also committed to increasing the participation of potentially affected individuals, such as the local population, in audits conducted using standard systems.

As part of the Sustainability Dialogue held in 2025, the Human Rights working group engaged with external stakeholders during the reporting year to discuss potential negative impacts on human rights within the supply chain. Topics included working conditions in the transport sector, challenges in artisanal mining in raw material supply chains, and labour rights at production sites.

The Group also exchanges information with representatives of the General Works Council of Mercedes-Benz Group AG and the World Employee Committee on the results of the risk assessment for Group companies.

Material topics, impacts, risks and opportunities

The Mercedes-Benz Group conducted the materiality assessment for the reporting year 2025 in accordance with the CSRD guidelines and the ESRS requirements. Basic information on this is described in the section “[Process for materiality assessment](#)” of this chapter.






In 2024 the Mercedes-Benz Group refocused its strategic sustainability priorities. In doing so, it examined the resilience of the strategy and business model to current and future challenges. The annual review of the strategic sustainability focus areas was carried out in the 2025 financial year. The Mercedes-Benz Group plans to incorporate the changes resulting from the regular materiality assessment cycle according to CSRD and ESRS into future updates of its strategic sustainability focus areas. Further information on the focus areas can be found in the chapter “Strategy” under “[Strategy, business model and value chain](#)”.














From the evaluation of materiality for the year 2025, the material topics, impacts, risks and opportunities for the Mercedes-Benz Group listed in the tables below were identified.

Changes to the material impacts and risks compared to 2024 are shown in the footnotes of the tables below.

In 2025, there were no material current financial effects from these risks and opportunities on the profitability, cash flows and financial position. From these risks and opportunities, no significant risk of a material adjustment to the assets and liabilities reported in the Consolidated Financial Statements was identified for 2026.

The following symbols are used in the tables below:






-  = Value chain upstream
-  = Own business activity
-  = Value chain downstream
-  = ESRS compliant target filed
-  = Company-specific

Climate change – material impacts, risks and opportunities	Direction of action	Time horizon	Localization	Value chain stage
Climate change adaptation				
Impacts				
Contribution to climate change consequences due to land-use change	negative	short-, medium- & long-term	local, regional	 
Climate change mitigation				
Impacts				
Contribution towards transition to e-mobility ¹	positive	short-, medium- & long-term	global	
Promoting decarbonization through development partnerships	positive	short-, medium- & long-term	global	 
Release of CO ₂ emissions	negative	short-, medium- & long-term	global	  
Risks²				
Volatile purchase prices for sustainable materials ³		long-term	global	
Energy				
Impacts				
Expansion of renewable energies	positive	short-, medium- & long-term	local	
Consumption of fossil energy	negative	short-, medium- & long-term	local, regional, global	  



¹ Change compared to the reporting year 2024 – actual materiality.

² Change compared to the reporting year 2024 – elimination of risks: volatile energy prices and fleet emissions (materiality of this risk no longer applies, since it is taken into account in the forecast).

³ Climate change transition risks.

Pollution – material impacts, risks and opportunities	Direction of action	Time horizon	Localization	Value chain stage
Impacts				
Pollution of air				
Affecting air quality	negative	short-, medium-term	local, regional, global	
Pollution of water				
Affecting water quality ¹	negative	short- & medium-term	regional	
Pollution of soil				
Potential effect on soil quality	negative	short- & medium-term	local, regional	
Substances of concern and of very high concern				
Potential effect through the use of hazardous substances	negative	short- & medium-term	local, regional	
Microplastics				
Release of microplastics	negative	short- & medium-term	regional, global	

¹ Change compared to the reporting year 2024 – actual materiality.

Water and marine resources – material impacts, risks and opportunities	Direction of action	Time horizon	Localization	Value chain stage
Impacts				
Water consumption and withdrawal				
Reduced water availability	negative	short- & medium-term	regional	
Wastewater discharge				
Affecting water quality	negative	short- & medium-term	regional	



Biodiversity and ecosystems - material topics¹

Contribution to the loss of biodiversity

¹ Application of the transitional facilitations (Quick Fix): Reporting at the level of subtopics.

Resource use and circular economy - material impacts, risks and opportunities	Direction of action	Time horizon	Localization	Value chain stage
Resource inflows, including resource usage				
Impacts				
Contribution through the use of secondary materials ¹	positive	short-, medium- & long-term	global	
Resource consumption	negative	short-, medium- & long-term	global	
Resource outflows in connection with products and services				
Impacts				
Contribution through recycling ²	positive	short-, medium- & long-term	regional	
Waste				
Impacts				
Waste for disposal	negative	short- & medium-term	local, regional	

¹ Change compared to the reporting year 2024 - new impact.

² Change compared to the reporting year 2024 - actual materiality.



Own workforce – material ¹ impacts, risks and opportunities	Direction of action	Time horizon	Localization	Value chain stage
Working conditions				
Impacts²				
Changes in workplaces, workplace profiles and work processes	negative	short-, medium-term	local	
Qualification and development	positive	short-, medium- & long-term	regional	
Remuneration of employees	positive	short-, medium- & long-term	regional	
Flexible working models	positive	short-, medium- & long-term	local	
Impairment of health and safety	negative	short-, medium- & long-term	local	
Risks³				
Changes in workplaces, workplace profiles and work processes		medium-term	local	
Implications of collective bargaining, strikes and formation of trade unions or employee representations		short-, medium- & long-term	regional	
Equal treatment and equal opportunities for all				
Impacts				
Promoting of equal opportunities	positive	short-, medium- & long-term	regional	

1 Change compared to the reporting year 2024 - elimination of the materiality of the topic other work-related rights and associated impacts: potential child and forced labour in the event of ineffective implementation of compliance processes.

2 Change compared to the reporting year 2024 - elimination of the impact: impairment of equal opportunities for employees.

3 Change compared to the reporting year 2024 - elimination of risks: work-related accidents and injuries of employees, impact of skill shortage due to demographic trends and qualification requirements.

Workers in the value chain – material topics¹

Working conditions

Equal treatment and equal opportunities for all

Other work-related rights

1 Application of the transitional provisions (Quick Fix): reporting at the level of subtopics.



Affected communities – material topics¹

Corporate Citizenship

Economic, social and cultural rights

Civil and political rights

Rights of indigenous peoples

Consumers and end-users – material topics¹

Customers in focus

Traffic safety

Business conduct – material impacts, risks and opportunities

Direction of action

Time horizon

Localization

Value chain stage

Corporate culture

Impacts

Promoting a positive corporate culture and integrity	positive	short-, medium- & long-term	global			
--	----------	-----------------------------	--------	--	--	--

Laws and regulations including those on corruption and bribery²

Impacts

Potential single cases of corruption and bribery	negative	short-, medium- & long-term	national			
--	----------	-----------------------------	----------	--	--	--

Risks³

Non-compliance with laws and regulations		short-, medium- & long-term	global			
--	--	-----------------------------	--------	--	--	--

Political influence and the representation of interests

Impacts

Promoting and accelerating the transition to decarbonization through electrified vehicles	positive	medium- & long-term	national			
---	----------	---------------------	----------	--	--	--

Deceleration of the transition to decarbonization through electrified vehicles for economic and geopolitical reasons	negative	short-, medium- & long-term	national			
--	----------	-----------------------------	----------	--	--	--

1 Application of the transitional provisions (Quick Fix): reporting at the level of subtopics.

2 Change compared to the reporting year 2024 – the risks related to corruption and money laundering are aggregated under the risk “non-compliance with laws and regulations”.

3 Change compared to the reporting year 2024 – elimination of risk: Regulatory investigations on diesel engines.



Environmental information

Climate change

Material impacts, risks and opportunities and their interaction with strategy and business model

As an actor in the transport sector, the Mercedes-Benz Group supports the Paris Climate Agreement. The Group follows the targets of the agreement and has confirmed decarbonization as a core strategic element and one of the most important strategic sustainability focus areas. The ambition of the Mercedes-Benz Group is: by 2039, the entire Mercedes-Benz new vehicle fleet is to be net carbon-neutral¹ along the entire value chain and over the vehicles' entire life cycle. In addition to decarbonizing the supply chain, the Mercedes-Benz Group sees the electrification of its vehicle fleet as an important lever. Since the ramp-up of electromobility is progressing differently in various markets and product categories, the Mercedes-Benz Group is continuously addressing the challenges arising from the set goals. Mercedes-Benz Cars and Mercedes-Benz Vans are taking the necessary steps to go all-electric. The

Mercedes-Benz Group actively supports its customers in switching to locally emission-free mobility through electric vehicles and the extension of charging infrastructure and charging services with electricity from renewable energy.

The pace of transformation is determined by market conditions, the infrastructure and consumer behaviour. Mercedes-Benz Cars and Mercedes-Benz Vans are prepared for all market scenarios to cater to different customer needs, whether it's an all-electric drivetrain or an electrified or a high-tech combustion engine. To this end, production has been set up to be flexible in terms of drive systems. To further develop its product portfolio, the Mercedes-Benz Group utilizes synergies between new and existing model series.

Another lever with regard to the "Ambition 2039" is the decarbonization of production. In order to consistently reduce CO₂ emissions at its own locations, the Mercedes-Benz Group relies on the purchase of green electricity, the expansion of renewable energies and the decarbonization of heat supply.

The Group has developed policies and actions to deal with impacts along the value chain that can contribute to climate change, among other things. These are described in this chapter. To mitigate the impacts of

changing land use, the Mercedes-Benz Group is pursuing policies and actions including those aimed at mitigating the consequences of climate change. These are outlined in the chapter "Biodiversity and ecosystems" in the sections "[Policies](#)" and "[Actions](#)".

In addition to the overarching materiality assessment, the Mercedes-Benz Group has carried out a climate-specific scenario and resilience analysis in 2024 and reviewed it for topicality in the reporting year. The climate scenarios are described in the "General information" under "[Process for materiality assessment](#)".

The resilience analysis was based on the results of the scenario analysis of transitory risks and opportunities and examined the interactions with the current strategy and business model of the Mercedes-Benz Group. This included the time horizons up to 2030 and 2050, as well as the coverage of the value chain in accordance with the scenario analysis. For this purpose, actions already implemented and planned were collected and qualitatively assessed in terms of their effectiveness over the time horizons. The Group's ability to implement risk mitigation and adaptation strategies was examined. For this purpose, several interviews were conducted with internal experts using a guideline and a methodology based on the scenario analysis.

¹ Net carbon-neutral means that carbon emissions that have neither been avoided nor reduced at the Mercedes-Benz Group are compensated for by certified offsetting projects.



The climate scenario and resilience analysis provided the following results:

Technological development

The climate scenarios predict that the share of electric vehicles in the global sales market will increase significantly by 2030 and will make up the vast majority by 2050. The speed and scope of the transition vary between the scenarios; in the case of the “Net Zero Emissions by 2050 Scenario” (NZE), it will already be well advanced by 2030. This development affects both passenger cars and light commercial vehicles. It therefore implies the requirement for the Mercedes-Benz Group to be able to flexibly adapt its product range, production facilities and the upstream value chain.

Market

Due to global transformation, including in the automotive sector, the demand for more sustainable materials such as CO₂-reduced steel and battery raw materials is increasing – especially in the NZE scenario.

Commodity markets are volatile, particularly against the backdrop of ongoing geopolitical tensions and global bottlenecks. Rising demand and commodity speculation could further increase the level and volatility of the prices of these materials in the medium and long terms.

Regulation and political parameters

Increasing regulatory requirements can lead to technical or financial challenges. Regulations on vehicle emissions and fuel consumption play an important role in this – for example, the EU’s CO₂ emission standards for passenger cars and light commercial vehicles.

Physical climate risks

In the context of the analysis of physical climate risks, the company faces potential challenges due to changing climatic conditions. To address these, appropriate measures are evaluated and adjusted as needed. The Group considers site-specific legal requirements for construction projects and communicates these as part of mandatory training courses for factory planning. These requirements are the basis for planning new buildings, renovations and extensions. For example, statically relevant factors such as necessary wind and snow loads are considered. In addition, preventive measures are initiated for climatic influences such as flooding, heat, heavy rain and lightning.

Assessment of resilience

The Mercedes-Benz Group is addressing the identified challenges on both the strategic and the operational level.

The most important lever of the product strategy over the medium and long term is the electrification of the vehicle fleet. It serves not only to meet ambitious fleet targets in the correspondingly regulated markets, but also to achieve “Ambition 2039”. Further information on the strategic integration of decarbonization can be found under [“Transition Plan for climate change mitigation”](#) in this chapter.

Thanks to appropriate investments in flexible manufacturing and the use of a state-of-the-art production system, the Group can manufacture all-electric vehicles in volume production and serve the market with various drive technologies.

The Group assumes that the global share of electric vehicles and plug-in hybrids in new car sales will reach up to 50% in the second half of this decade. The pace of the transformation will be determined by market conditions, the infrastructure and consumer behaviour. Further information can be found in the section “Climate change mitigation in the downstream value chain” under [“Actions”](#).

As part of this adaptation of the product portfolio and means of production, extensive investments are necessary. Further information can be found in the chapter [“EU Taxonomy”](#).

To ensure the supply of sustainable materials, several approaches are being pursued, including active and strategic involvement of key suppliers and partnerships. Further information can be found in the section “Climate change mitigation in the upstream value chain” under “[Actions](#)”. The Mercedes-Benz Group systematically and actively addresses the transition of the energy mix to renewable energy sources required for the decarbonization of its business activities, both within the Group and throughout the supply chain. Further information can be found in the sections “[Climate change mitigation in the upstream value chain](#)” and “[Climate change mitigation in own business activities](#)” under “Purchase of green electricity and expansion of renewable energies”.

Overall, the Mercedes-Benz Group has the capabilities to adapt its strategy and business model to the identified challenges of climate change, provided that these fall within the considered scenario framework.

Transition plan for climate change mitigation

The transition plan for climate change mitigation developed by the Mercedes-Benz Group outlines the steps to achieve “Ambition 2039” on the way to net carbon neutrality¹ along the entire value chain and over

the entire life cycle. It describes how the Group’s organization, strategy and processes are aligned with the challenges of the transformation and the targets of the Paris Climate Agreement.

The Board of Management approved the strategic sustainability focus areas in the reporting year with the involvement of the Supervisory Board and is therefore responsible for the implementation of the transition plan within the framework of decarbonization. Basic information on responsibilities regarding sustainability topic of the Mercedes-Benz Group is explained in the chapter “Governance” under “[Tasks and responsibilities of the Board of Management and the Supervisory Board with regard to sustainability](#)”.

The Mercedes-Benz Group supports the Paris Climate Agreement. In 2020, the Mercedes-Benz Group joined the climate change mitigation promise “The Climate Pledge”, committing itself to achieving the targets of the Paris Climate Agreement ten years earlier than specified in the agreement. The medium-term emissions reduction target (Scope 1² and 2³) of Mercedes-Benz Cars and Mercedes-Benz Vans was scientifically validated by the Science Based Targets initiative (SBTi) in 2019 as 1.5°C-compliant, according to the version of the SBTi Corporate Net-Zero Standard valid at the time.

They committed to reducing absolute Scope 1 and Scope 2 emissions in the production plants by 50% by 2030 compared to 2018. This target was already achieved in 2022. Therefore, the Mercedes-Benz Group plans to reduce CO₂ emissions in its production plants (Scope 1 and Scope 2) by 80% by 2030 compared to 2018.

Given the pending finalization of the new SBTi Automotive Standard and the requirements of the present Land Transport Guidance, the Mercedes-Benz Group currently considers the prerequisites for renewed external validation by the SBTi to be unmet. Regardless, the company remains committed to its climate targets and the goals of the Paris Agreement on climate change.

To implement its climate targets, the Mercedes-Benz Group identified the decarbonization of its supply chain, logistics, and production, as well as the electrification of its vehicle fleet as levers to reduce the CO₂ emissions of its business model. Decarbonizing the supply chain focuses on sourcing production materials that are net carbon-neutral. For global logistics, the Group relies on an optimal transport mix of road, rail, air and sea freight. Through process optimization, the Group aims to avoid and reduce CO₂ emissions. In its production processes, the Group is committed to sourcing green electricity and expanding renewable

¹ Net carbon-neutral means that carbon emissions that have neither been avoided nor reduced at the Mercedes-Benz Group are compensated for by certified offsetting projects.

² Scope 1: direct emissions from sources that are directly responsible or controlled by the Group.

³ Scope 2: indirect emissions from purchased energy, such as electricity or district heating, which is generated externally but consumed by the Group.



energy sources. It also focuses on the decarbonization of heat supply and optimizing energy efficiency at its own sites. A large proportion of the Mercedes-Benz Group's Scope 3¹ emissions arise during the use phase of the vehicles² (locked-in emissions). This includes fuel and electricity production (well-to-tank) and driving operation (tank-to-wheel). To reduce these emissions, the Group is focusing on fully electrifying the vehicle fleet, charging with green electricity, and optimization battery technology. Mercedes-Benz Cars and Mercedes-Benz Vans anticipate that the global share of electric cars and plug-in hybrids in their new car sales will reach up to 50% in the second half of this decade. The pace of this transformation will be determined by market conditions, infrastructure, and customer preferences.

The progress of the transition plan is reflected in the CO₂ emission figures, which can be found in the Metrics section of this chapter, and the share of electrified vehicles in the unit sales of the Mercedes-Benz Group, which can be found in the chapter "[Business development](#)".

Information on sustainable, Taxonomy-aligned investments by the Mercedes-Benz Group is reported in "EU Taxonomy" in the chapter "Reporting on the Taxonomy-aligned proportions of environmentally sustainable economic activities" and the section "[Taxonomy-alignment of revenue](#)". Due to volatile developments, the Mercedes-Benz Group is currently not providing a more detailed classification of its forward-looking statements on sustainable Taxonomy-aligned investments.

As in the previous year, the Mercedes-Benz Group had no information available for the reporting year on non-compliance with the exclusion criteria in connection with the EU Paris-aligned benchmarks.

Ambition

Overarching ambition

- "Ambition 2039": Create a net carbon-neutral³ Mercedes-Benz new vehicle fleet along the entire value chain and over the entire life cycle.

- The market conditions, the infrastructure and the consumer behaviour determine the course of the transformation. 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 lifecycle within the next decade⁴.

Upstream value chain

- All production materials procured by Mercedes-Benz Cars and Mercedes-Benz Vans are net carbon-neutral⁵ by 2039.
- Mercedes-Benz Cars and Mercedes-Benz Vans: Reduce CO₂ emissions in logistics by 60% by 2039 compared to 2021.

Own business activities

- The target for reducing CO₂ emissions in production (Scope 1 and Scope 2) is shown in the table below.

Downstream value chain

- Increase the share of electrified vehicles⁶ in the respective new car fleets of Mercedes-Benz Cars and Mercedes-Benz Vans to up to 50% in the second half of the decade⁷.

1 Scope 3: all (not included in scope 2) indirect emissions that occur in the value chain of the Group, including both upstream and downstream emissions.

2 The emissions are shown in category 11 of the table "Mercedes-Benz Group greenhouse gas emissions - Scope 1, Scope 2 and Scope 3".

3 Net carbon-neutral means that carbon emissions that have neither been avoided nor reduced at the Mercedes-Benz Group are compensated for by certified offsetting projects.

4 Compared to 2020.

5 The Mercedes-Benz Group requires its suppliers to prospectively compensate carbon emissions that have neither been avoided nor reduced through certified offsetting projects.

6 Mercedes-Benz Cars: plug-in hybrids and all-electric vehicles, Mercedes-Benz Vans: all-electric vehicles.

7 The transformation is determined by the market conditions, the infrastructure and the consumer behaviour.



Targets for own business activities: Production¹

The Mercedes-Benz Group has set itself climate-related targets. These targets are an integral part of the ambition and refer to the company's own business activities. The basis for the strategic targets of the Mercedes-Benz Group can be found in the "General Information" under "[Basis of preparation of the sustainability reporting](#)".

Target	Target horizon	Target status
Reduce ¹ CO ₂ emissions in production (Scope 1 ² and 2 ³) by 80% compared to 2018 ⁴ .	2030	According to plan
Increase the share of renewable energies in production by 100%.	2039	According to plan
Milestone: Increase the share of renewable energies to cover energy consumption to 70% at Mercedes-Benz Cars and to 80% at Mercedes-Benz Vans	2030	According to plan
Mercedes-Benz Cars: Reduce the specific energy consumption in production per vehicle by 36% compared to 2023 ⁵ .	2030	According to plan
Mercedes-Benz Vans: Reduce the specific energy consumption in production per vehicle by 16% compared to 2023 ⁶ .	2030	According to plan

- 1 The set reduction target, to reduce CO₂ emissions in its own plants (Scope 1 and 2) by 50% compared to 2018 by 2030, was confirmed by the SBTi as 1.5°C-aligned according to the standard valid at the time in line with the Paris Climate Agreement. Further information is described in the section "[Transition plan for climate change mitigation](#)". Since this target was already achieved in 2022, the Mercedes-Benz Group aims to further reduce CO₂ emissions in production (Scope 1 and Scope 2) and has increased its reduction target to minus 80%. Actions taken to achieve the target are described in the chapter "[Climate change mitigation in own business activities](#)".
- 2 Scope 1: emissions from sources that are directly responsible or controlled by the Group.
- 3 Scope 2: indirect emissions from purchased energy, such as electricity or district heating, which is generated externally but consumed by the Group. The target is based on the market-based approach.
- 4 The year 2018 was selected as the base year during the Science Based Targets initiative (SBTi) validation in 2019. The SBTi recommended choosing the most recent year for which data are available. In 2018, Scope 1 emissions amounted to 650,000 metric tons of CO₂ and Scope 2 emissions amounted to 1,040,000 metric tons of CO₂. The reduction of Scope 2 emissions makes the greater contribution to achieving the target. Scope 1 and Scope 2 emissions in the reporting year are shown in the table "Further information on greenhouse gas emissions Scope 1 and Scope 2".
- 5 In 2023, the specific energy consumption in production at Mercedes-Benz Cars was 2.97 MWh/vehicle.
- 6 In 2023, the specific energy consumption in production at Mercedes-Benz Vans was 2.26 MWh/vehicle.

¹ ESRS-compliant targets



Climate change mitigation in the upstream value chain

Policies

The Mercedes-Benz Group pursues the approach of avoiding, reducing, or, where possible, preventing negative environmental impacts in the upstream value chain.

Decarbonization of the supply chain

With its “Ambition 2039”, the Mercedes-Benz Group is striving for a net carbon-neutral¹ new vehicle fleet across all stages of the value chain and the entire life cycle. The decarbonization of the supply chain plays an important role in this.

For future model series and vehicle architectures, suppliers of Mercedes-Benz Cars and Mercedes-Benz Vans must meet CO₂ reduction targets and implement appropriate actions. This applies in particular to suppliers of components and focus materials such as steel, aluminium, polymers, or battery cells, as these are CO₂ and energy intensive to manufacture. To promote suppliers and business partners in the transformation, Mercedes-Benz Cars and Mercedes-Benz Vans use three instruments:

- The “Ambition Letter”, which is mandatory for all new contracts. In this agreement, suppliers of Mercedes-Benz Cars and Mercedes-Benz Vans guarantee that from 2039 they will only supply products that are net carbon-neutral².
- Mercedes-Benz Cars and Mercedes-Benz Vans have integrated target values for CO₂ emissions into their award criteria. The focus is on CO₂-intensive components and materials. The targets not only affect direct suppliers; they also apply to the upstream extraction of raw materials and the production of components.
- In addition, Mercedes-Benz Cars and Mercedes-Benz Vans are working with selected partners to reduce CO₂ emissions in the supply chain through innovative technologies. The focus is on the production of important components such as battery cells or body-in-white components.

The right battery technologies and access to raw materials are crucial for the expansion of electromobility. The Mercedes-Benz Group purchases battery cells and modules from various partners on the global market in order to have access to the latest technologies on the market and to supply the global Mercedes-Benz production network.

The Group is committed to expanding strategic partnerships with direct suppliers whose own production is net carbon-neutral² and who have ambitious carbon reduction targets.

More information on how to deal with volatile purchase prices can be found under “Sustainable Materials in the Supply Chain”.

Supply chain management

The Mercedes-Benz Group has enshrined the guidelines for responsible supply chain management in the Responsible Sourcing Standards (RSS). As a central contractual document for sustainability requirements for suppliers, these standards are applied internationally. They formulate requirements in areas including environmental due diligence obligations, climate change mitigation, climate change, resource conservation, biodiversity, deforestation, and water management. The central approach of the RSS is described in the “Governance information” under “Corporate culture” in the section [“Expectations of business partners”](#).

In the area of climate change mitigation and climate change, the Group requires its suppliers to use efficient technologies and materials and renewable energy sources and to minimize the degree of soil sealing.

¹ Net carbon-neutral means that carbon emissions that have neither been avoided nor reduced at the Mercedes-Benz Group are compensated for by certified offsetting projects.

² The Mercedes-Benz Group requires its suppliers to prospectively compensate carbon emissions that have neither been avoided nor reduced through certified offsetting projects.



Furthermore, suppliers must develop suitable corporate targets for their CO₂ emissions, implement actions, and regularly report their progress to the Mercedes-Benz Group. Further information on dealing with climate change in the upstream value chain can be found in the chapter “Biodiversity and Ecosystems” under “[Requirements for Suppliers](#)”.

Suppliers who supply Mercedes-Benz Cars and Mercedes-Benz Vans with production materials must have a certified environmental management system (ISO 14001 or the Eco-Management and Audit Scheme – EMAS) as well as an energy management system (ISO 50001 or EMAS). The same requirement also applies, on a risk-based basis, to suppliers of non-production materials and services.

Representatives from purchasing, corporate environmental protection and component development are working to implement the strategic direction for reducing CO₂ emissions in the supply chain. To this end, they are in close cooperation with suppliers of CO₂-intensive materials and with CO₂-intensive production. The implementation of concrete actions 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).

Decarbonization of logistics

On the way to net carbon-neutral¹ transport logistics, the Group is focusing on avoiding and reducing

CO₂ emissions generated in the global transport network for Mercedes-Benz Cars and Mercedes-Benz Vans.

Basic information on responsibilities regarding sustainability topics of the Mercedes-Benz Group is explained in the chapter “Governance” under “[Tasks and responsibilities of the Board of Management and the Supervisory Board with regard to sustainability](#)”.

Further development through exchange and initiatives

The Mercedes-Benz Group uses various formats to engage in dialogue with its stakeholders. Further information on this can be found in the chapter “Strategy” under “[Interests and views of stakeholders](#)”.

Actions

CO₂-reduced production materials

To reduce CO₂ in the supply chain, Mercedes-Benz Cars and Mercedes-Benz Vans are focusing on materials and components that cause high CO₂ emissions. 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. Mercedes-Benz Cars and Mercedes-Benz Vans use CO₂ specifications as key criteria when awarding contracts for particularly CO₂-intensive components. This approach is used for the Mercedes-Benz Modular Architecture (MMA), the Mercedes-Benz Electric

Architecture (MB.EA), the Mercedes-Benz Electric Architecture Large (MB.EAL), and the Mercedes-Benz Van Architecture (VAN.EA).

Battery

The battery is the single component of an electric vehicle with the highest carbon footprint. Mercedes-Benz Cars and Mercedes-Benz Vans have agreed with their strategic partners to purchase battery cells from net carbon-neutral production. Since 2019, net carbon-neutral production has been a key requirement for direct suppliers of battery cells when awarding contracts. In order to achieve this, quantitative reduction targets for the CO₂ emissions of battery cells have been set. The aim is to consistently reduce CO₂ emissions and, where possible, completely avoid them.

Starting with the production of the CLA, electricity from renewable energies is used not only in cell manufacturing but also in the production of cathode, anode, and cell casing materials. Various reduction measures in the high-voltage cell reduce the CO₂ footprint by about 30% per cell compared to conventional manufacturing.

In addition, both segments continue to negotiate with actors across the entire supply chain, including electrode producers, refineries and mines. In addition to respecting human rights, the increased use of renewable energy is a key requirement.

¹ Net carbon-neutral means that carbon emissions that have neither been avoided nor reduced at the Mercedes-Benz Group are compensated for by certified offsetting projects.



To ramp up mass production of electric vehicles, both the right battery technology partners and access to raw materials are needed. The Mercedes-Benz Group has a strategy for relevant raw materials, both directly and indirectly sourced, to secure long-term supply and mitigate supply risks. In order to prevent the risks of global supply chain disruptions, among other things, the Group also pursues a local-for-local approach with several suppliers.

Steel

When manufacturing an electric vehicle, steel accounts for up to 20% of total CO₂ emissions.

Mercedes-Benz AG works with steel suppliers and supports them in their transformation. The availability of CO₂-reduced steel and thus the construction of industrial direct reduction plants and smelting units are important prerequisites for decarbonizing the steel supply chain and thus reducing the carbon footprint of Mercedes-Benz vehicles.

The Mercedes-Benz Group has entered into various partnerships worldwide to enable the procurement of CO₂-reduced steel in the long term. Selected partners guarantee to supply the Mercedes-Benz Group with specified quantities of CO₂-reduced steel during contractually agreed periods. This steel will be used for manufacturing vehicles.

Aluminium

Since 2023, the aluminium manufacturer Norsk Hydro ASA has been supplying CO₂-reduced aluminium. The carbon footprint is almost 70% lower than that of the material used on average in Europe. Following the pilot phase, the aluminium was integrated into the series production of selected models. Through its technology partnership with Norsk Hydro ASA, the Mercedes-Benz Group AG plans to use aluminium with a CO₂ footprint up to 90% lower than the 2024 European average in its vehicles by 2030.

In addition, Mercedes-Benz Group AG has continued working with its suppliers on decarbonizing the aluminium supply chain for production in Europe and amended existing supply contracts accordingly. At least a third of the primary aluminium used in Europe for newly introduced electric models since 2025 is to be produced using renewable energies. This can lead to a CO₂ reduction of up to 50% compared to conventionally produced aluminium used in Europe.

Data transparency

The Mercedes-Benz Group is a founding member of the Catena-X cooperation project. This project aims to enable secure, sovereign and standardized data exchange across all participants in the automotive value chain. Catena-X is intended to support the Mercedes-Benz Group, among other things, in verifying

whether and to what extent its suppliers comply with sustainability requirements. From the raw material mines to recycling, the data chain is to be supplemented with CO₂ data from each company, thus enabling a product-specific carbon footprint with the highest possible proportion of primary data. The project was continued during the reporting year.

Logistics

Shifting transport volume to rail can significantly contribute to reducing CO₂ emissions. The Mercedes-Benz Group therefore takes the approach of transporting vehicles by rail, among other things. In addition to avoiding air freight, the Group and transport service providers rely on the use of Sustainable Aviation Fuel (SAF). In order to reduce CO₂ emissions in sea transport as well, the Mercedes-Benz Group is working closely with its transport service providers that use biofuels as a bridging technology. In road transport, the Mercedes-Benz Group reduces the resulting CO₂ emissions through the use of Hydrotreated Vegetable Oil (HVO) and electric trucks.



Climate change mitigation in own business activities

Policies

The Mercedes-Benz Group aims to reduce and, where possible, avoid CO₂ emissions across its entire business activity worldwide.

To this end, the Mercedes-Benz Group relies on the purchase of green electricity, the expansion of renewable energies, the decarbonization of heat supply and the optimization of energy efficiency at its own locations.

The Mercedes-Benz Group's locations obtain 100%¹ of their external electricity from renewable energies. In Germany, the Mercedes-Benz Group currently relies on a mix of solar, wind and hydropower for external electricity procurement.

When supplying heat to the production sites, the reduction of CO₂ emissions from fossil sources is being pushed forward. The Group is relying, for example, on the use of heat pumps powered by green electricity, district heating from renewable energies, waste heat, geothermal energy and bioenergy as well as the electrification of production processes.

To convey the policies to stakeholders, the Mercedes-Benz Group uses dialogues on the topic of climate change mitigation. Further information on the various formats the Mercedes-Benz Group uses to engage in dialogue with its stakeholders is described in the "General Information" in the chapter "Strategy" under "Interests and views of stakeholders".

CO₂ compensation

All locations² of the Mercedes-Benz Group have been operating net carbon-neutral³ since 2022 in terms of Scope 1 and Scope 2. Since 2022, all Scope 1 and 2 emissions from these locations that cannot be avoided so far have been offset by carbon offsets from qualified climate change mitigation projects. Since 2023, the net neutrality also includes other greenhouse gases that are stated in CO₂ equivalents.

The Mercedes-Benz Group aims for high project quality and continuously develops its portfolio of climate change mitigation projects. According to the Intergovernmental Panel on Climate Change (IPCC), the global climate targets cannot be achieved through reduction actions alone. In addition, CO₂ must also be removed from the atmosphere. The Mercedes-Benz Group has therefore been expanding its portfolio to include CO₂ removal projects since 2023.

Responsibilities and organization of production sites

Basic information on responsibilities regarding sustainability topics of the Mercedes-Benz Group is explained in the chapter "Governance" under "Tasks and responsibilities of the Board of Management and the Supervisory Board with regard to sustainability".

The Group has 30 production sites worldwide, each of which is subject to different regional and national laws. Environmental protection in production is controlled and coordinated across all business areas for the regions of Germany/Europe, North America/Africa and Asia by three committees. In the committees, environmental protection managers can network across the Group and plants and exchange information on legislation, processes and innovations. In addition, binding internal standards and procedures are developed there worldwide.

Monitoring process of Mercedes-Benz sites

The Mercedes-Benz Group systematically collects the most important environmental and energy data from its locations to monitor the reduction targets and for reporting purposes. This data is evaluated worldwide in a central environmental data information system. This data is used to check the extent to which the climate

¹ The Mercedes-Benz Group verifies this for every electricity contract worldwide through certificates of origin.

² All considered locations in the respective reporting year of the Sustainability Statement.

³ Net carbon-neutral means that carbon emissions that have neither been avoided nor reduced at the Mercedes-Benz Group are compensated for by certified offsetting projects.



and environmental targets for the plants are being achieved. The corresponding environmental protection measures aimed at achieving the targets are documented in an internal database and their effectiveness is systematically monitored.

Group-wide environmental and energy management

The Mercedes-Benz Group has established and certified an environmental management system according to ISO 14001 at its own production sites worldwide. This is intended to ensure efficient, high-quality and more sustainable production. Selected German and European locations are also Eco-Management and Audit Scheme (EMAS) registered. In addition, the German production sites have energy management systems in accordance with ISO 50001, which the Group has recertified every three years. The Mercedes-Benz Group also operates ISO 50001 systems at some locations outside Germany. The individual divisions and production sites control the careful use of resources. They set overarching and location-specific targets and report on these to the responsible management. This approach is derived from the system of targets that was adopted by the Board of Management of the Mercedes-Benz Group AG as part of the sustainable business strategy.

With its environmental and energy management systems, the Mercedes-Benz Group ensures, among other things, clear responsibilities and a transparent, standardized implementation of internal and external environmental protection and energy efficiency requirements.

The effectiveness of the management systems is verified both by means of external assessments within the framework of certification (ISO 14001, ISO 50001) and validation (EMAS) and in the environmental area through internal environmental risk assessments (environmental due diligence process). If relevant risks or deficiencies are identified in the areas of waste management, emissions to air, wastewater discharges and soil/groundwater pollution as well as in the handling of environmentally hazardous substances, the Group records, prioritizes and reduces or eliminates these.

The environmental due diligence process has been applied across the Group, both internally at all production sites that are majority-owned by the Group and at externally operated contract and licensed manufacturing facilities. Every five years, the Group inspects and evaluates the environmental risk of its production sites using a standardized process. The results are reported to the respective plant and management teams. This allows necessary optimizations to be made. In addition, the Group reviews annually the extent to which the recommendations for risk minimization have been implemented at the sites.

Further development through exchange and initiatives

The Mercedes-Benz Group uses various formats to engage in dialogue with its stakeholders. Further information on this can be found in the chapter “Strategy” under [“Interests and views of stakeholders”](#).

Actions

By purchasing green electricity and expanding renewable energy at its own sites, the Mercedes-Benz Group has already been able to significantly reduce CO₂ emissions in production. To further reduce CO₂ emissions, the Group is focusing on more sustainable heat supply measures and optimizing energy efficiency.

Expansion of renewable energies

The Mercedes-Benz Group is planning to expand and install photovoltaic systems (PV systems) at its locations worldwide. The expansion of PV capacity across all sites will continue. Completion of further PV projects in Europe is planned for 2026.

Another focus of the Group’s energy strategy is expanding the portfolio to include wind energy from onshore and offshore wind farms. In the offshore sector, the Group concluded a power purchase agreement (PPA) with an energy supplier for the supply of electricity from the Windanker wind farm in the Baltic Sea. With this agreement, Mercedes-Benz AG secures 140 MW of electricity from renewable energy sources from 2027, covering around 30% of its electricity needs in Germany. The installation of a wind farm at the Mercedes-Benz test site in Papenburg in northern Germany has begun. Over the next few years, a German wind farm developer will build around 20 wind turbines on the site, with a total capacity of roughly 140 MW. Under a PPA, the wind farm will in future supply up to 20% of Mercedes-Benz AG’s annual electricity demand in Germany.



When planning project implementation and the ecologically responsible use of the land, the Mercedes-Benz Group works closely with the relevant local authorities and interest groups.

Heat supply

The Mercedes-Benz Group is taking various actions to further reduce the use of fossil fuels in heat supply and thereby further reduce CO₂ emissions. Surface geothermal energy, heat from biomass heating plants, and district heating with renewable energy components are already being used at individual production sites. In the next years, this portfolio will be supplemented with additional heat pumps powered by green electricity. Furthermore, plans are in place to effectively utilize waste heat from production and to electrify production processes.

Energy efficiency and consumption

The Mercedes-Benz Group is taking various measures to optimize energy efficiency and reduce energy consumption.

The Group is raising awareness among its workforce about energy saving in order to strengthen understanding – including through publicly visible tips, training courses and initiatives. The Mercedes-Benz Group also pays attention to high energy efficiency when purchasing new production facilities and renovating buildings. The focus is on the controls of

all technical equipment and components as well as transparent measurement of consumption values. Another important criterion is that the production facilities can be switched off during breaks and when not in production and can also be operated efficiently under partial load.

Another action to increase energy efficiency is the targeted control of energy supply and building technical systems. The Mercedes-Benz Group uses new technologies to further optimize existing energy-intensive processes. For example, the Group has thus begun to optimize the energy efficiency of its production facilities and robots using a data-driven approach during series production. This allows the process to be designed to be more demand-oriented and thus more energy-efficient.

In addition, the Group uses heat recovery systems in building ventilation systems, for example.

In order to identify and exploit further savings potential, the Mercedes-Benz Group measures and evaluates material energy consumption. Transparency regarding energy procurement and consumption is created by innovative energy management software implemented across the Group. The software records and analyses consumption for locations and buildings as well as for individual systems.

CO₂ compensation

Remaining greenhouse gas emissions from Mercedes-Benz locations arise in particular from the natural gas-powered combined heat and power plants that generate electricity and heat. To offset these remaining emissions, the Mercedes-Benz Group invests in climate change mitigation projects. The portfolio includes projects for CO₂-reduced drinking water treatment in Nigeria. These not only avoid greenhouse gas emissions, they also promote sustainable, social and ecological development in the project countries in many ways. Additional information on the quality criteria is presented in this chapter under [“Metrics – energy consumption”](#).

Furthermore, the Mercedes-Benz Group supports the development of CO₂ removal solutions of high quality and integrity. Since the reporting year 2023, the Group invests in a high-quality biochar project and continues expanding its portfolio of CO₂ removal projects, among other things, through nature-based solutions.



Climate change mitigation in the downstream value chain

Policies

The Mercedes-Benz Group sees the complete electrification of its product range as the most important contribution to decarbonizing the use phase of its vehicles. To promote electromobility, the company is expanding its charging infrastructure.

CO₂ emissions are not only generated during the manufacture of components for all-electric vehicles, but also during the generation of charging current. Against this background, the Green Charging initiative is a further step on the way to net carbon-neutral¹ mobility: With it, the Mercedes-Benz Group enables its customers to charge their vehicles with electricity from renewable sources. Green electricity certificates ensure that an equivalent amount of electricity from renewable energies is fed into the power grid for the charging processes.

Responsibilities

Basic information on responsibilities regarding sustainability topics of the Mercedes-Benz Group is explained in the chapter “Governance” under [“Tasks and responsibilities of the Board of Management and the Supervisory Board with regard to sustainability”](#). Within the Board of Management, responsibility for

climate change mitigation, including the reduction of CO₂ emissions, is distributed among several divisions and Board members.

The CO₂ Product Strategy department is responsible for ensuring that consumption and portfolio actions to meet CO₂ fleet regulations are implemented early and in the most cost-effective way possible. During the operational period, the sales department is responsible for managing the achievement of CO₂ targets.

A team of environmental experts and specialists in purchasing, development, logistics, production, strategy and sales is working on the net carbon neutrality¹ of the new car fleet by 2039. The team monitors CO₂ emissions across all stages of the value chain, manages reduction actions and creates the necessary transparency within the Group.

Monitoring

To assess the environmental impact of a vehicle, Mercedes-Benz conducts life cycle assessments as part of a 360° environmental check. The resulting CO₂ emissions and other environmental impacts are systematically analysed along the entire value chain of a vehicle.

In order to be able to comprehensively record and control the CO₂ contribution of the individual areas, data transparency over the entire life cycle is the key lever. For this purpose, the Mercedes-Benz Group has

developed an internal monitoring tool to calculate greenhouse gas emissions. It makes it possible to accurately represent climate-relevant emissions and track progress towards CO₂ targets for achieving “Ambition 2039” at the fleet level and down to the component level.

Further development through exchange and initiatives

The Mercedes-Benz Group uses various formats to engage in dialogue with its stakeholders. Further information on this can be found in the chapter “Strategy” under [“Interests and views of stakeholders”](#).

Actions

The use phase of the vehicles represents a lever for decarbonizing the business model.

Electrification of Mercedes-Benz Cars and Mercedes-Benz Vans

For the Mercedes-Benz Group, one of the most important measures for decarbonization is the electrification of its vehicles. The information on operating expenses and investments for the reporting year with regard to the Taxonomy-aligned shares for the economic activity 3.3 “manufacture of low-carbon technologies for transport” of the Mercedes-Benz Group is presented in the chapter [“EU Taxonomy”](#). The research and development expenses of the Taxonomy-aligned shares of the “manufacture of low-carbon technologies for transport”

¹ Net carbon-neutral means that carbon emissions that have neither been avoided nor reduced at the Mercedes-Benz Group are compensated for by certified offsetting projects.



remain at a similar level as in previous years. In order to take into account the different customer requirements and market developments, the Mercedes-Benz Group has positioned itself as flexible with respect to drive systems over the next few years. Due to the volatile developments, the Mercedes-Benz Group is currently not specifying its forward-looking statements regarding the manufacture of low-carbon technologies for transport in more detail.

Electrified product range at Mercedes-Benz Cars

The Mercedes-Benz Group wants to further expand its range of electric vehicles in all model variants and vehicle types. The commitment to research and development is correspondingly strong. In the reporting year, the Mercedes-Benz Cars portfolio comprised 13 all-electric models. The new all-electric GLC (preliminary figures: combined energy consumption: 18.9-14.9 kWh/100 km | combined CO₂ emissions: 0 g/km | CO₂ class: A¹) was presented in the reporting year. The Group will expand its range of all-electric vehicles from the first half of 2026. At the same time, highly efficient and low-emission combustion engines and plug-in hybrids (Plug-in-Hybrid Electric Vehicles – PHEVs) complement the product portfolio and thus also make an important contribution to the decarbonization of

transport. In 2025, the Mercedes Modular Architecture (MMA), which focuses on electromobility, was introduced for vehicles from the Entry segment. Mercedes-Benz Cars plans to introduce two additional all-electric architectures in the Top-End and Core segments in 2026: the Mercedes-Benz Electric Architecture (MB.EA) and AMG Electric Architecture (AMG.EA).

The new CLA

With the Mercedes-Benz Modular Architecture (MMA), the Group has developed an architecture primarily geared towards electric vehicles. In the reporting year, the Mercedes-Benz Group presented the new all-electric CLA, the first vehicle developed within the framework of the MMA. Thanks to its drive efficiency and aerodynamics, the CLA 250+ with EQ technology (combined energy consumption: 14.1-12.2 kWh/100 km | combined CO₂ emissions: 0 g/km | CO₂ class: A) offers a range of up to 792 km according to Worldwide Harmonised Light Vehicles Test Procedure (WLTP)^{2,3}.

Plug-in hybrids

Plug-in hybrids are also an important bridging technology on the way to an all-electric future. The combination of electric drive and combustion engine enables temporarily local CO₂ emission-free driving.

The drive – consisting of an electric motor and high-voltage battery – achieves purely electric ranges that are sufficient for the majority of daily journeys.

Electrification at Mercedes-Benz Vans

The further development of electromobility is also a key priority in the Commercial vehicle sector. All model series are already systematically electrified. Customers and upfitters can choose an all-electric van in every segment – for both commercial and private use.

From 2026 onwards, all newly developed medium-size and large all-electric vans from Mercedes-Benz Vans will be based on the modular, flexible, and scalable Van Architecture. This new vehicle architecture allows for a clear differentiation between privately positioned multi-purpose vehicles (VLE and VLS) and commercially positioned vans in the premium segment.

During the reporting period, the Mercedes-Benz plant in Vitoria started production of the first pre-series vehicles of the new all-electric Mercedes-Benz VLE, thus preparing for the start of series production in 2026. To meet the production requirements of the first vehicle based on the newly developed, modular and scalable Van-Architecture, the Mercedes-Benz plant in Vitoria has undergone extensive modernization.

¹ The information provided is preliminary and was determined internally according to the Worldwide Harmonised Light Vehicles Test Procedure (WLTP) certification method. Neither an EC type approval nor a certificate of conformity with official values is currently available. Deviations between the information provided and the official values are possible.

² The stated values were determined according to the prescribed WLTP measurement method. The stated ranges refer to the European market. A passenger car's energy consumption and CO₂ emissions depend not only on the efficient use of fuel or energy carrier by the vehicle, but also on driving style and other non-technical factors.

³ The actual range depends on numerous factors, including individual driving style, environmental conditions, the ageing process of the battery, auxiliary consumers such as air conditioning, optional equipment, tyres, payload, and the route profile, and may therefore differ from the stated WLTP value.



The eSprinter

With today's second generation eSprinter, which is produced in a net carbon-neutral¹ manner, Mercedes-Benz Vans is continuing to implement its electrification strategy. Efficiency and sustainability were important aspects in the further development of the electric drivetrain. For the first time, the division used a highly efficient permanent magnet synchronous motor (PSM) and an electric rear axle in an all-electric van. The eSprinter allows for higher payloads with a permissible total weight of up to 4.25 t for the first time and offers a greater variety of variants. The cell chemistry of the installed high-voltage battery is based on lithium iron phosphate (LFP), which means that cobalt and nickel are not required. Active thermal management ensures highly effective energy transfer in different system states.

Mercedes-Benz Charge Public

Under the Digital Extra MB.CHARGE Public, Mercedes-Benz bundles the appropriate vehicle and app integration and offers numerous advantages exclusively for customers of Mercedes-Benz electric vehicles and plug-in hybrids. In more than 37 countries on four continents with over 2.9 million charging points from more than 1,600 charging station operators, customers have easy access to one of the world's largest charging networks via MB.CHARGE Public. More than 1 million of these charging points are located in Europe, including over 185,000 in Germany.

Green Charging

"Green Charging" is an integral part of MB.CHARGE Public in the most important markets. If electricity from renewable energy sources is not yet available at the respective charging station, "Green Charging" uses green electricity certificates. These ensure that an equivalent amount of electricity from renewable energies is fed into the power grid for charging processes. These are exclusively green electricity certificates² from certified wind and solar power plants.

Fast-charging networks in Europe, the United States and China

The Mercedes-Benz Group co-founded the joint ventures IONITY, IONNA and IONCHI to build high-performance fast-charging networks for electric vehicles in Europe, North America and China.

With the IONITY joint venture, the Mercedes-Benz Group is involved in the development of a fast-charging network in Europe. Around 13,000 IONITY fast-charging points are expected to be in operation by the end of 2030. These charging points currently with up to 400 kW are integrated into the MB.CHARGE Public charging service and enable fast and convenient charging.

In North America, the Mercedes-Benz Group is involved with the joint venture IONNA. Together with seven other leading automobile manufacturers, a network of

at least 30,000 charging points is planned along the most important routes and urban centres.

In China, the Mercedes-Benz Group is working with BMW to expand the charging infrastructure. The joint venture IONCHI aims to establish a charging network of approximately 1,000 stations with around 7,000 fast-charging points within the next few years. These should be publicly accessible and available to all vehicle brands, with Mercedes-Benz and BMW offering exclusive functions such as Plug & Charge and reservation.

Smart charging solutions for the home

For many drivers, their own home is the preferred charging point. On the way to an all-electric future, the Mercedes-Benz Group is therefore consistently working on expanding the charging ecosystem with innovative solutions for the home. In future, electric vehicles and the energy grid shall be intelligently networked in order to increase the proportion of renewable energies. With smart charging solutions for private households, customers can reduce CO₂ emissions and costs as well as increase their independence. Through intelligent control of charging processes, the distribution of electricity from renewable energies can be optimized depending on grid utilization. Reduced electricity costs motivate customers to specifically charge electricity from renewable energies. At the same time, intelligent control of charging processes can optimize the

¹ Net carbon-neutral means that carbon emissions that have neither been avoided nor reduced at the Mercedes-Benz Group are compensated for by certified offsetting projects.

² EKOenergy in Europe, Green-e in North America.



distribution of electricity from renewable energies depending on grid load. In future, this can reduce both grid bottlenecks and the shut-down of overproduction of renewable energy sources in regional electricity distribution networks.

Saving energy with the Eco Coach

The Mercedes-Benz Eco Coach is an app with individual energy-saving tips for users of plug-in hybrid and electric vehicles. The app analyses personal driving and charging behaviour and provides personalized tips on how to reduce the carbon footprint and increase the durability of the vehicle battery. The app is available in ten European countries. In Germany, the Eco Coach app also supports users by providing charging recommendations or challenges to ensure that charging takes place within time windows that utilize the highest possible share of renewable energy in the public power grid.

Metrics – Energy consumption

The Mercedes-Benz Group regularly evaluates and assesses the main energy sources, purchases and consumption. The Mercedes-Benz Group records all energy data worldwide using a data tool and uses it to determine its energy consumption and own generation. The data is based on invoices from energy suppliers. If no invoices are available, the company's own measurements are used. The operation and documentation of the relevant internal energy metering points are carried out

by the sites. In individual cases, the locations' energy data managers use estimations based on experience from previous years or projections with reference to current energy meter data and production volume trends. This is done if invoices or measurements are not available at the end of the year. Conversion factors come from utility bills and common calculation standards (e.g. EU emissions trading) or recognized databases (International Energy Agency (IEA)) and are specified by the company headquarters.

For its production-related targets (energy and CO₂ emissions), the Mercedes-Benz Group determines the energy consumption of its production sites excluding fuels, as fuel consumption (including hydrogen) is primarily caused by activities outside of production (including company vehicles, test benches). The specific energy consumption and CO₂ emissions (measured per vehicle produced) form the basis for the production-related targets. Therefore, these are also reported without fuels and without self-generated energy transferred to third parties. Furthermore, the Mercedes-Benz Group reports the amount of non-renewable energy produced at its sites and transferred to third parties. The Mercedes-Benz Group aims to indicate that a portion of the non-renewable energy produced by the Mercedes-Benz Group is consumed by third parties, for example, as part of municipal district heating supply.

Energy production¹ (in GWh)

	2025	2024
Non-renewable energy production	1,153	1,217
Renewable energy production	86	57
Total energy production	1,239	1,274

¹ Production of electricity and heat at own sites for further use in plants and transfer to third parties.


Total energy consumption (in GWh)

	2025	2024
Fuel consumption from coal and coal products	-	-
Fuel consumption from crude oil and petroleum products	343	413
Fuel consumption from natural gas	2,145	2,407
Fuel consumption from other fossil sources	10	10
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	472	460
Energy consumption from fossil sources	2,970	3,290
Share of fossil sources in total energy consumption (%)	53.4	55.6
Energy consumption from nuclear sources	-	-
Share of consumption from nuclear sources in total energy consumption (%)	-	-
Fuel consumption from renewable sources	30	33
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	2,502	2,551
Consumption of self-generated non-fuel renewable energy	64	42
Energy consumption from renewable sources	2,596	2,626
Share of renewable sources in total energy consumption (%)	46.6	44.4
Total energy consumption	5,566	5,916

The analysis of the net revenue included the high climate impact sectors of the manufacture of low-carbon technologies for transport, the production of automotive and mobility components, the infrastructure enabling low-carbon road transport and public transport and the sale of second-hand goods.

Total energy consumption per net revenue in high climate impact sectors (in MWh/million euros)

	2025	2024
Total energy consumption per net revenue	50.5	48.6

Reconciliation of net revenues from high climate impact sectors to the Group's revenues in million euros

	2025	2024
Net revenue from activities in high climate impact sectors used to calculate energy intensity ¹	110,182	121,640
Net revenue (other)	22,032	23,954
Total net revenue ²	132,214	145,594

¹ Includes the scope of economic activity 3.3 Manufacture of low-CO₂ transport technologies.

² The net revenue refers to Revenue in the Consolidated Statement of Income.

Further information on energy consumption (in GWh) - company-specific

	2025	2024
Energy consumption in production ¹	4,177	4,296
Transfer of non-renewable energy production to third parties	98	144

¹ Without fuels.

Energy consumption in production¹ per vehicle (in MWh/vehicle) - company-specific

	2025	2024
Mercedes-Benz Cars	2.70	2.65
Mercedes-Benz Vans	2.37	2.31

¹ Without fuels.

Metrics - Gross greenhouse gas emissions

The Mercedes-Benz Group calculates and documents its greenhouse gas emissions (GHG emissions) in Scope 1 to Scope 3 in accordance with the Corporate Accounting and Reporting Standard 2004 and the Corporate Value Chain Standard 2011 of the Greenhouse Gas (GHG) Protocol initiative.

Scope 1 and Scope 2

Within the scope of Scope 1, the Mercedes-Benz Group accounts for the direct greenhouse gas emissions from the combustion of fuels, heating oil, natural gas and liquefied petroleum gas.



These are calculated using constant CO₂ emission factors in accordance with the Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories (2024) and other sources such as the German Emissions Trading Authority (DEHSt, 2026) and the German Federal Environment Agency (UBA, 2022 & 2024).

Within the framework of Scope 2, the Group calculates the indirect greenhouse gas emissions from district heating, electricity and hydrogen from external production, differentiated by time and region. The basis is the GHG Protocol initiative's guideline for determining Scope 2 emissions published in 2015. For the market-based accounting approach, the Mercedes-Benz Group collects the greenhouse gas emission factors of the local electricity and district heating tariffs or electricity and district heating suppliers at its locations worldwide. If this data, as well as information on residual mix is missing, the current average emission factor published for the respective country according to the International Energy Agency (IEA, 2025) or the United States Environmental Protection Agency (EPA, 2025) for the United States is used for electricity. For district heating and hydrogen, the respective country-specific official data is used. As in the previous year, more than 90% of the green electricity was procured through physical green electricity contracts during the reporting year. The remainder was purchased via green electricity certificates. In addition, greenhouse gas emissions are reported using the "location-based" method, which includes the country-specific greenhouse gas emission factors.

In its balances, the Mercedes-Benz Group considers not only the main greenhouse gas CO₂ but also other greenhouse gases under Scope 1 and 2. These greenhouse gas emissions are disclosed in summary form in CO₂ equivalents. The CO₂ equivalents in Scope 1 are determined using the global warming potentials (GWP) and the emission factors according to the IPCC.

In its balances, the Group separately reports the biogenic Scope 1 and Scope 2 CO₂ emissions from the use of renewable energies (biomass, renewable district heating share, etc.) in addition to the fossil CO₂ emissions under Scope 1 and 2. In Scope 1, these are calculated using constant CO₂ emission factors in accordance with the World Business Council for Sustainable Development (WBCSD, 2024) or the German Emissions Trading Authority (DEHSt). The biogenic Scope 2 CO₂ emissions are determined based on the biogenic energy purchases per site. The biogenic CO₂ emission factors are provided by the Federal Office for Economic Affairs and Export Control (BAFA, 2025).

The basis for calculating the amount of Scope 1 and 2 emissions is the energy consumption of the respective energy sources.

Scope 3

Within the framework of Scope 3, the Mercedes-Benz Group accounts for indirect greenhouse gas emissions occurring in the company's upstream and downstream value chain. In addition to CO₂, the Group considers other greenhouse gases in its accounting and reports the biogenic CO₂ emissions separately.

The GHG Protocol distinguishes a total of 15 Scope 3 categories. The selection of Scope 3 categories to be reported is based on a significance assessment according to the GHG Protocol. Twelve of the 15 categories are included in the calculation. Categories 8, 9, and 13 are classified as not significant. This is due, among other things, to the low estimated extent of emissions, the low financial and sector-specific significance, and the small contribution to the company's opportunities and risks.

The assumptions for calculating greenhouse gas emissions for the reported Scope 3 categories are described below. For each category, the scope of the recorded emissions and the calculation method used are specified, along with the underlying data basis. An internal calculation tool is used to calculate greenhouse gas emissions.

Category 1 – Purchased goods and services

- Scope: Greenhouse gas emissions from the materials and components required for the production of the vehicles, including decarbonization measures
- Method: "average-data" method according to the GHG Protocol with vehicle-specific life cycle assessments for representative vehicle models in each segment according to ISO 14040/44; building on this, modular scaling for further vehicle variants
- Data basis: Sales figures 2025, component and material information (vehicle parts lists/IMDS); regionalised emission factors for the production



markets Europe, United States and China from the life cycle assessment database LCA for Experts (Sphera Solutions GmbH, Version 2025.2)

- In the reporting year 2025, regionalized supply chain information (Europe, United States, and China) was used to calculate emissions from purchased goods based on the vehicle production sites in order to increase data quality. According to new industry standards, the allocation of emissions from the recycling of production scrap is carried out using the cut-off/recycled-content approach. Due to these changes, greenhouse gas emissions for 2024 were recalculated.

Category 2 – Capital Goods

- Scope: Greenhouse gas emissions primarily from investments in buildings and site facilities as well as technical equipment, machinery and software
- Method: “spend-based” method according to the GHG Protocol
- Data basis: Tangible assets for completed buildings, technical installations and machinery as well as other equipment, factory and office equipment grouped into asset classes; emission factors from the Exiobase database (version 3.9)

- In the reporting year 2025, to increase data quality, actual expenditures for capital goods were largely used for emission calculation instead of planned figures wherever possible (> 80%). The emissions of the remaining expenditures were scaled on this basis for the total amount of investments in said property, plant and equipment according to the Consolidated Financial Statements. Due to these changes, greenhouse gas emissions for 2024 were recalculated.

Category 3 – Fuel and energy-related activities (not included in Scope 1 or Scope 2)

- Scope: Greenhouse gas emissions that arise during the production and provision of energy sources and are not included in Scope 1 and 2
- Method: “average-data” method according to the GHG Protocol
- Data basis: Energy consumption data from the central energy management system, emission factors from the German Federal Environment Agency (UBA, 2025) and from the International Energy Agency (IEA, 2025).

Category 4 – Upstream transportation and distribution

- Scope: Greenhouse gas emissions from transport along the logistics chain (inbound and outbound) up to the upstream point of sale

- Method: “distance-based” method according to the GHG Protocol and ISO 14083. A portion of the shipment data is available annually for the period from January to December, but at least up to and including November. The exception is shipment data for Mercedes-Benz Cars for inbound logistics in maritime transport, which, due to a quarterly time lag, is only available up to September. Missing data points are predicted based on the preceding months
- Data basis: Shipment data, specific emission factors for inbound logistics road/rail/air/foreign plants as well as for outbound logistics road/rail/sea from GLEC Framework version 3.1, emission factors for inbound logistics (maritime transport) from the Clean Cargo Framework delivery year 2024.

Category 5 – Waste generated in operations

- Scope: Greenhouse gas emissions from disposal and energy recovery of waste from own production facilities
- Method: “waste-type-specific” method, according to GHG Protocol
- Data basis: Group-wide waste volumes emission factors from the life cycle assessment database LCA for Experts (Version 2025.2)

**Category 6 – Business travelling**

- Scope: Greenhouse gas emissions of all Mercedes-Benz Group employees from air and rail travel and rental car journeys
- Method: “distance-based” method according to the GHG Protocol
- Data basis: Flight data from internal travel management system and emission factors from the Department for Environment, Food & Rural Affairs (DEFRA, 2025); rental car traffic through the kilometres driven with vehicle class-specific emission factors; rail traffic through the kilometres covered and the corresponding emission factor from the Transport Emission Model TREMOD (Federal Environmental Agency, 2025).

Category 7 – Employee commuting

- Scope: Greenhouse gas emissions of all Mercedes-Benz Group employees through private and public transport between their place of residence and their workplace
- Method: “average-data” method according to the GHG Protocol
- Data basis: Number of working days (Europe including the German Mercedes-Benz home office rate); individual commuting distances for the sites in Germany (German commuting distances as a reference value for Europe) and individual commuting distances of the largest non-European sites for RoW; modal split for Germany and the United States (German Federal Statistical Office,

2025; Statista, 2022); associated emission factors for Germany and Europe from TREMOD (German Federal Environment Agency, 2025), for the United States and the remaining countries from the US Environmental Protection Agency (EPA, 2025).

Category 8 – Upstream leased assets

- This category was assessed as not significant in a significance analysis and is therefore not reported.

Category 9 – Downstream transportation

- This category was assessed as not significant in a significance analysis and is therefore not reported.

Category 10 – Processing of sold products

- Scope: Greenhouse gas emissions from further processing of sold Mercedes-Benz Vans chassis (e.g. by upfitters)
- Method: “average-data” method according to GHG Protocol; the greenhouse gas emissions from the additional processing activities of the upfitters are accounted for based on the additional mass, analogous to Category 3.1.
- Data basis: Van sales figures 2025, component and material information (vehicle parts lists/IMDS, Vans), Regulation (EU) 2019/631, emission factors from the life cycle assessment database LCA for Experts (Version 2025.2)

Category 11 – Use of sold products

- Scope: Well-to-wheel greenhouse gas emissions of all vehicles in the new car fleet with an assumed annual mileage of 20,000 km and an assumed service life of 10 years (total 200,000 km)
- Method: The well-to-tank greenhouse gas emissions are based on the electricity/fuel production paths of the respective markets. The CO₂ reduction contribution through “Green Charging” for the new car fleet is calculated as follows: customer charging volumes at public charging points are recorded via the MB.CHARGE Public charging service. If renewable energy is not yet demonstrably available at these points, green electricity certificates ensure that an equivalent amount of electricity from renewable sources is fed into the grid. The charging amounts recorded for the new vehicle fleet in 2025 are scaled up for the assumed usage period of ten years. The CO₂ reduction contribution in 2025 is approximately 0.08 t CO₂/vehicle for Mercedes-Benz Cars and approximately 0.02 t CO₂/vehicle for Mercedes-Benz Vans. The tank-to-wheel greenhouse gas emissions are based on the unit-weighted average CO₂ fleet values, taking into account the currently applicable driving cycles in the respective markets EU, China, the United States, and Canada. Additional greenhouse gas emissions are considered based on certified emission values.
- Data basis: sales figures 2025, certified consumption and emission data (tank-to-wheel) and the life cycle assessment database LCA for Experts (Version 2025.2) for well-to-tank.

**Category 12 – End-of-life treatment of sold products**

- Scope: Greenhouse gas emissions from recovery and disposal of vehicles at the end of their operating life (includes dismantling, the shredding process, and the downstream treatment of the shredder light fraction (cut-off approach))
- Method: “average-data” method according to GHG Protocol; end-of-life materials are accounted for using the cut-off approach.
- Data basis: vehicle-specific weight information and life cycle assessment end-of-life model according to ISO14040/44, emission factors from the life cycle assessment database LCA for Experts (Version 2025.2).

Category 13 – Downstream leased assets

- This category was assessed as not significant in a significance analysis and is therefore not reported.

Category 14 – Franchises

- Scope: Greenhouse gas emissions from the energy consumption of all independent retailers
- Method: “franchise-specific” method according to GHG Protocol
- Data basis: Specific energy consumption data of independent retailers from the previous reporting period. For sites without consumption data, existing country- or region-specific average energy consumption data is extrapolated; emission factors for electricity in the individual countries are based on the IEA (location-based, 2025). For the remaining

energy sources, uniform emission factors from the World Business Council for Sustainable Development (WBCSD, 2024), the German Emissions Trading Authority (DEHSt, 2026), and the Federal Environment Agency (UBA, 2022) are used.

- In the reporting year 2025, primary data from independent retailers on energy consumption were used for the calculation to increase data quality. A recalculation of greenhouse gas emissions for the year 2024 was impracticable.

Category 15 – Investments

- Scope: Greenhouse gas emissions from investments (equity investments) in associated companies, joint ventures and relevant equity instruments
- Method: Consideration of Scope 1 and Scope 2 emissions of the respective company according to proportion of capital expenditure
- Data basis: Internal investment management system, published information on Scope 1 and 2 emissions of the companies from the previous reporting period. If this information is not available, the greenhouse gas emissions of the remaining companies are extrapolated based on their carrying amounts.

73% of the Mercedes-Benz Group’s Scope 3 emissions reported for 2025 originate during the use phase. The supply chain accounts for approximately 22% of Scope 3 emissions. Compared to the prior year, total Scope 3 emissions decrease by 11%. This is primarily attributable to categories 1 and 11 due to unit quantity developments.

24% (2024: 19%) of scope 3 greenhouse gas emissions are categorized based on data provided by suppliers or other partners in the value chain. Of this, 3% (2024: 0.5%) is calculated using primary data. The remaining Scope 3 greenhouse gas emissions are determined taking into account measured activity data.



Mercedes-Benz Group greenhouse gas emissions – Scope 1, Scope 2 and Scope 3^{1,2}		
	2025	2024
Greenhouse gas emissions – Scope 1		
Greenhouse gas emissions – Scope 1 (in million t CO ₂ e)	0.5	0.6
Percentage of Scope 1 greenhouse gas emissions from regulated emission trading schemes (in %)	78.3	77.4
Greenhouse gas emissions – Scope 2 (in million t CO₂e)		
Greenhouse gas emissions – Scope 2 – location-based	0.9	1.0
Greenhouse gas emissions – Scope 2 – market-based	0.1	0.1
Greenhouse gas emissions – Scope 3³ (in million t CO₂e)		
Greenhouse gas emissions – Scope 3	118.8	133.5
Category 1 – Purchased goods and services ⁴	25.9	28.6
Category 2 – Capital goods ⁴	1.3	0.8
Category 3 – Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	0.4	0.4
Category 4 – Upstream transportation and distribution	1.8	2.3
Category 5 – Waste generated in operations	0.2	0.1
Category 6 – Business travelling	0.04	0.1
Category 7 – Employee commuting	0.2	0.2
Category 8 – Upstream leased assets	n. s.	n. s.
Category 9 – Downstream transportation	n. s.	n. s.
Category 10 – Processing of sold products	0.1	0.1
Category 11 – Use of sold products	86.5	97.0
Category 12 – End-of-life treatment of sold products	1.0	1.0
Category 13 – Downstream leased assets	n. s.	n. s.
Category 14 – Franchises ⁵	1.1	2.5
Category 15 – Investments	0.3	0.4
Total greenhouse gas emissions – Scope 1, 2 and 3 (in million t CO₂e)		
Total greenhouse gas emissions – location-based	120.2	135.1
Total greenhouse gas emissions – market-based	119.4	134.2

1 The table contains the applicable columns for the Mercedes-Benz Group according to ESRS.

2 Non-significant categories are marked with n.s.

3 Including the unit sales of the Beijing Benz Automotive Co., Ltd. (BBAC), which is an equity-method investment, and the joint venture Fujian Benz Automotive Co., Ltd. (FBAC).

4 Due to adjustments in the calculation methodology, the value for 2024 was recalculated. Compared to the methodology applied in the prior year, the value of emissions from purchased goods and services for 2024 increased by 6.7 million t CO₂e, while the value for capital goods decreased by 2.1 million t CO₂e.

5 The reduction in emissions is due to an adjustment in the calculation methodology.

Biogenic CO₂ emissions Scope 1, Scope 2 and Scope 3 (in million t CO₂)		
	2025	2024
Total biogenic CO₂ emissions		
	5.80	7.23
Biogenic CO ₂ emissions – Scope 1	0.007	0.008
Biogenic CO ₂ emissions – Scope 2 ¹	0.004	0.004
Biogenic CO ₂ emissions – Scope 3	5.79	7.22

1 Due to an adjustment of the actual values, the value for the year 2024 was recalculated, resulting in an increase in emissions of 0.002 million t CO₂.

Greenhouse gas emissions Scope 1, 2 and 3¹ per net revenue² in t CO₂e/million euros		
	2025	2024
Greenhouse gas emissions (location-based) per net revenue	909	896
Greenhouse gas emissions (market-based) per net revenue	902	890

1 Including the unit sales of the Beijing Benz Automotive Co., Ltd. (BBAC), which is an equity-method investment, and the joint venture Fujian Benz Automotive Co., Ltd. (FBAC).

2 Net revenue refers to Revenue in the Consolidated Statement of Income.



In addition to ESRS required reporting at Group level, the company-specific greenhouse gas emissions for Scope 1, 2 and selected Scope 3 categories along the vehicle value chain are reported separately for the Mercedes-Benz Cars and Mercedes-Benz Vans divisions. This serves to assess the projected CO₂ lifecycle emissions of the annual new vehicle fleet in comparison to the previous year.

Mercedes-Benz Cars greenhouse gas emissions – Scope 1, Scope 2 and Scope 3¹ emissions in the Mercedes-Benz Cars value chain – company-specific

	Absolute CO ₂ e emissions (in million t CO ₂ e)		Absolute CO ₂ emissions (in million t CO ₂)		Specific CO ₂ emissions per car (in t CO ₂ /vehicle)	
	2025	2024	2025	2024	2025	2024
Greenhouse gas emissions – Scope 1 and 2 in production² – market-based	0.3	0.3	0.3	0.3	0.2	0.2
Greenhouse gas emissions – Scope 3	90.5	101.5	82.6	93.3	46.5	46.5
Category 1 – Purchased goods and services ³	21.9	24.3	19.8	21.9	11.1	10.9
Category 4 – Upstream transportation and distribution	1.5	2.0	1.5	2.0	0.9	1.0
Category 11 – Use of sold products (WtW)	66.3	74.4	60.5	68.6	34.1	34.2
Category 12 – End-of-life treatment of sold products	0.8	0.8	0.8	0.8	0.4	0.4
Total greenhouse gas emissions – Scope 1, 2 and 3						
Total of Mercedes-Benz Cars value chain	90.8	101.8	82.9	93.6	46.7	46.7

Mercedes-Benz Vans greenhouse gas emissions – Scope 1, Scope 2 and Scope 3⁴ emissions in the Mercedes-Benz Vans value chain – company-specific

	Absolute CO ₂ e emissions (in million t CO ₂ e)		Absolute CO ₂ emissions (in million t CO ₂)		Specific CO ₂ emissions per van (in t CO ₂ /vehicle)	
	2025	2024	2025	2024	2025	2024
Greenhouse gas emissions – Scope 1 and 2 in production² – market-based	0.1	0.1	0.1	0.1	0.3	0.3
Greenhouse gas emissions – Scope 3	24.7	27.5	22.2	25.0	60.8	61.8
Category 1 – Purchased goods and services ⁵	4.0	4.4	3.7	4.0	10.1	9.9
Category 4 – Upstream transportation and distribution	0.2	0.3	0.2	0.3	0.7	0.8
Category 10 – Processing of sold products	0.1	0.1	0.1	0.1	0.3	0.3
Category 11 – Use of sold products (WtW)	20.2	22.5	18.0	20.4	49.2	50.3
Category 12 – End-of-life treatment of sold products	0.2	0.2	0.2	0.2	0.5	0.5
Total greenhouse gas emissions – Scope 1, 2 and 3						
Total of Mercedes-Benz Vans value chain	24.8	27.6	22.3	25.1	61.1	62.1

1 Including the unit sales of the Beijing Benz Automotive Co., Ltd. (BBAC), which is an equity-method investment.

2 Without fuels.

3 Due to adjustments in the calculation methodology, the value for 2024 was recalculated. Compared to the methodology applied in the prior year, the value for 2024 of absolute CO₂e emissions increased by 6 million t CO₂e; of absolute CO₂ emissions by 5.1 million t CO₂; and of specific CO₂ emissions per car by 2.5 t CO₂/vehicle.

4 Including the unit sales of Fujian Benz Automotive Co. (FBAC), which is an equity-method investment.

5 Due to adjustments in the calculation methodology, the value for 2024 was recalculated. Compared to the methodology applied in the prior year, the value for 2024 of absolute CO₂e emissions increased by 0.8 million t CO₂e; of absolute CO₂ emissions by 0.7 million t CO₂; and of specific CO₂ emissions per car by 1.7 t CO₂/vehicle.

Further information on greenhouse gas emissions Scope 1 and Scope 2 (in 1,000 t CO₂e) – company-specific

	2025	2024
Total greenhouse gas emissions Scope 1 and 2 – market-based	600	684
Thereof CO ₂ emissions in production ¹	400	423
Thereof CO ₂ emissions from self-generated non-renewable energy transferred to third parties ²	20	29

1 Without fuels.

2 These CO₂ emissions result from energy that the Mercedes-Benz Group produces but does not itself consume.

CO₂ emissions of the new vehicle fleet in Europe¹
Mercedes-Benz CO₂ emissions on average passenger cars and light commercial vehicles in Europe (in g/km) – company-specific

	2025	2024
Passenger cars ¹	106 ^{2,3}	103 ^{2,3}
Light commercial vehicles	183 ²	204 ²

1 The slight increase in the CO₂ fleet value is due to, among other things, the new PHEV certification and changes in the sales structure in the CO₂ pool.

2 Internal value.

3 Taking into account the vehicles of the joint venture smart Automobile Co., Ltd. in the Mercedes-Benz CO₂ pool.

The average CO₂ emissions of the Mercedes-Benz new car fleet (categories: M1² + N1³) in Europe (European Union, Norway and Iceland) are calculated using the

1 Data have been audited with reasonable assurance.

2 M1 = Passenger cars.

3 N1 = Light commercial vehicles.

4 Partially, internal unit sales data is used as official registration numbers are not available from all EU countries.

legal regulations based on internal data⁴. Based on the vehicle-specific CO₂ emissions according to Worldwide Harmonised Light Vehicles Test Procedure (WLTP) from the Certificate of Conformity (CoC), the average CO₂ emissions of all vehicles are determined. The registered vehicles in the calendar year are decisive for this. Deviations from the final, official value of the EU are possible, as registration data for determining the average CO₂ emissions may not be available for all European countries.

CO₂ emissions of the new vehicle fleet in the United States¹
Mercedes-Benz greenhouse gas figures passenger cars, light-duty trucks and medium-duty vehicles in the United States (in g CO₂/mi) – company-specific

	2025	2024
Passenger cars ¹	215 ²	180 ²
Light-duty trucks	229 ²	265 ²
Medium-duty vehicles	396 ²	413 ²

1 The increase is attributed to a decline in the share of battery-electric vehicles in sales, among other things, due to the removal of tax benefits.

2 Internal value.

In the United States, for light-duty vehicles (passenger cars and light-duty trucks), the Greenhouse Gas Emission (GHG) standard and the Corporate Average Fuel Economy (CAFE) standard apply, while for medium-duty vehicles (medium-duty commercial

vehicles), the Greenhouse Gas Emission (GHG) standard and the Fuel Efficiency (FE) standard apply.

To calculate greenhouse gas emissions and fuel consumption in the United States, the production figures for each model year are taken into account.

Based on certified values, the average CO₂ emissions and fuel consumption are determined. The combined emissions (combined fuel economy) determined from various cycles for test groups are calculated in the US as part of a self-certification process in accordance with legal requirements. These values are randomly verified by the Environmental Protection Agency (EPA).

For light-duty vehicles (passenger cars and light-duty trucks), additional legal flexibilities such as off-cycle credits are applied. These are particularly efficient technologies that reduce CO₂ emissions and fuel consumption in real-world customer use and can be credited in addition to the certified CO₂ and consumption values.

Some data is not yet final at the time of publication of this Sustainability Statement and are therefore based on assumptions. For this reason, slight deviations from the final regulatory report are possible.



Fuel consumption of the new vehicle fleet in China¹

Mercedes-Benz fleet consumption passenger cars (imported) in China (in l/100 km) – company-specific

	2025	2024
Passenger cars	8.32 ^{1,2}	8.38 ²

¹ Internal value.

² Value with off-cycle technologies.

In China, domestically produced and imported passenger cars are calculated separately according to fleet consumption (Corporate Average Fuel Consumption (CAFC)). For Mercedes-Benz China Ltd. (MBCL), which does not produce any vehicles in China itself, the value of the import fleet is therefore relevant.

Based on the certification values according to WLTC available at the MN level (Model Name), the average consumption is determined using the imported quantities. Additionally, legal flexibilities such as off-cycle credits are applied. These are particularly efficient technologies that reduce consumption in customer operation and can be credited in addition to the certified consumption values. Some data are not yet final at the time of publication of this Sustainability Statement and are therefore based on assumptions. For this reason, slight deviations from the official value of the authorities are possible.

¹ Data have been audited with reasonable assurance.

² All considered locations in the respective reporting year of the Sustainability Statement.

³ Net carbon-neutral means that carbon emissions that have neither been avoided nor reduced at the Mercedes-Benz Group are compensated for by certified offsetting projects.

CO₂ compensation and removals

The Mercedes-Benz Group aims to reduce greenhouse gas emissions in its own business activities and throughout the entire value chain.

The greenhouse gas emissions that cannot be avoided even after significant reduction at the locations² operated by the Mercedes-Benz Group (Scope 1 and Scope 2) have been offset by qualified climate change mitigation projects since 2022.

Beyond its own locations, the entire Mercedes-Benz new vehicle fleet is to be net carbon-neutral³ across all stages of the value chain and the entire life cycle by 2039. The Mercedes-Benz Group intends to offset the emissions that cannot be avoided at that time through climate change mitigation projects that meet high quality standards.

The Mercedes-Benz Group attaches great importance to the integrity and quality of its climate change mitigation projects. All projects must comply with international accounting requirements and the quality requirements of the Gold standard (high-quality certification standard developed under the leadership of World Wide Fund for Nature (WWF) and with the Federal Ministry for Environment) or other high-quality standards. In addition, the Mercedes-Benz Group has

new climate change mitigation projects reviewed by an independent third party or uses recognized project ratings. This serves to minimize risk and helps to identify potential accounting errors and negative impacts, for example on the environment and society in the project countries, at an early stage.

The Mercedes-Benz Group's portfolio of climate change mitigation projects is also being continuously developed. Since 2023, the focus has been gradually shifting from conventional climate change mitigation projects that reduce emissions to carbon removal. Both technological and biological removal solutions play a role here.

Offsetting emissions through carbon credits is an additional contribution by the Mercedes-Benz Group to climate change mitigation. It does not affect the Group's commitment to achieving its reduction targets in any way. Greenhouse gas emissions and corresponding reduction targets are tracked and reported independently of compensation actions.

The required quantity of emission certificates (carbon credits) is determined and verified based on the reported Scope 1 and Scope 2 emissions. The corresponding quantity is then deleted in external registers. Detailed information is determined based on the project data, documented in an internal database and verified.



During the reporting period, the Mercedes-Benz Group did not undertake any projects or activities for the removal and storage of greenhouse gases within its own operations or its upstream and downstream value chains.

Carbon credits cancelled in the reporting year

	2025	2024
Total amount (in 1,000 t CO₂e)	600	684
Share of removal projects ¹ (in %)	6	3
Share of reduction projects (in %)	94	97
Recognized quality standard: Gold Standard (in %)	94	97
Recognized quality standard: Puro.Earth (in %)	0.6	0.3
Recognized quality standard: Verified Carbon Standard (in %)	5.4	2.7
Share issued from projects in the EU (in %)	-	-
Share that qualifies as a corresponding adjustment under Article 6 of the Paris Climate Agreement (in %)	-	-

¹ Thereof 90% from biogenic and 10% from technological sinks.

Carbon credits planned to be cancelled in the future¹
(in 1,000 t CO₂e)

	2025	2024
Total amount until 2032	3,980	4,507

¹ Based on contractual agreements.

Internal carbon pricing

To evaluate internal decision-making processes, the Mercedes-Benz Group uses internal carbon pricing systems.

In product development (the focus is on efficiency measures in vehicle projects), the Mercedes-Benz Group takes into account different fleet emissions regulations depending on the region. For example, if the legally defined EU fleet limit for passenger cars of 93.6 g CO₂/km is exceeded, the Mercedes-Benz Group must pay penalties to the EU of €95 per vehicle sold for each gram. For vehicles and regions where fleet emission regulations apply, around 52 million tons of the greenhouse gas emissions of the Mercedes-Benz Group in 2025 (Scope 1, 2 and 3) are attributable to vehicle operation (tank-to-wheel). This corresponds to approximately 43%.

In its own production, the Group takes into account the CO₂ emission rights of the EU emissions trading system for energy-related projects (e.g. plant supply, energy production, and new energy consumers). This is a key climate policy instrument in Europe. In the reporting year, the price for exchange-traded EU emission rights was between €60 and €90/t CO₂. Currently, approximately 253 kilotons of CO₂ of the emissions caused by the Mercedes-Benz Group in Scope 1 and 2 are covered under the EU Emissions Trading System. This corresponds to approximately 43%. In addition to these emission trading prices, CO₂ prices from the German Fuel Emissions Trading System (€55 per ton of CO₂ in 2025) are also considered as far as applicable for the project.



Pollution

Material impacts, risks and opportunities and their interaction with strategy and business model

Pollutant emissions can be released into the environment – specifically into the air, water and soil – along the entire value chain. This occurs for instance, when primary raw materials are extracted in the upstream value chain and during the use and disposal of products in the downstream value chain. Emissions also arise within the company’s own business operations, for example, through air emissions generated during production processes.

The Mercedes-Benz Group aims to avoid environmental harm along the value chain and to ensure that hazardous substances¹ are handled responsibly. On this basis, the Mercedes-Benz Group aims to decrease pollutant emissions in production and formulates minimum requirements for its suppliers. Furthermore, all business partners are required to adhere to legal and Group-specific requirements and standards for environmental protection.

The material topics, impacts, risks, and opportunities, as well as information on the resilience analysis, are disclosed in the “General information” under “[Material topics, impacts, risks, and opportunities](#)”.

Policies

Environmental protection along the value chain

The Mercedes-Benz Group aims to reduce or completely avoid pollutant emissions along the entire value chain. Furthermore, the company aims to decrease the release of microplastics into the environment and to ensure the responsible handling of hazardous substances.

The contractual terms in the supplier management of the Mercedes-Benz Group regarding the Responsible Sourcing Standards (RSS) also cover the aspects of pollutant emissions (e.g. to air, water and soil) and hazardous substances. The central approach of the RSS is described in the “Governance information” in the section “Corporate culture” under “[Expectations of business partners](#)”.

In the area of environmental protection, the Group requires its suppliers, among other things, to check and continuously optimize the quantity, quality and environmental compatibility of wastewater discharge in order to prevent the contamination of surface or groundwater and soil degradation.

In its own business activities, the Mercedes-Benz Group regularly conducts training courses on environmental protection at its locations. Important topics include emission and water protection, wastewater treatment, emergency management for environmentally relevant operational disruptions, or the environmentally sound planning of facilities and workplaces. The content, frequency, and participants of environmental training courses are determined by tasks, functions, site conditions, and legal requirements.

The Mercedes-Benz Group takes various technical and organizational measures to prevent environmental pollution at its locations. The company implements certified environmental management systems and establishes internal guidelines and standards, as well as internal control, maintenance, and monitoring measures. During recurring internal environmental risk assessments at production sites, the Mercedes-Benz Group takes extensive control and protection measures.

Reduction of emissions to air in production

Emissions to air are generated at the Mercedes-Benz Group’s production sites. Reducing these emissions is an ongoing task and challenge for plant and facility planning as well as for daily operations.

Depending on the pollutant, the limits and requirements for emissions are regulated by law. These limits serve as a benchmark for the production plants and the product development of the Mercedes-Benz Group.

¹ Inclusive substances of concern and substances of very high concern according to ESRS.



Of particular importance for automobile production are the volatile organic compounds (VOC). These are released, for example, during painting of vehicles. The Mercedes-Benz Group has developed methods for VOC data collection, which enable standardized collection at all Mercedes-Benz production sites. In addition, this facilitates measuring progress in VOC reduction.

The responsibilities within the Group for emissions to air and the monitoring are described in the section “Climate change mitigation in own business activities” under “Policies”.

Reduction of particulate emissions and microplastics during vehicle operation

In 2024, the new EU emissions standard Euro 7 (EU7) came into force. For the first time, this standard sets limits for particle emissions from brake wear. These limits are intended to reduce the fine particulate matter produced during braking. To comply with future limits, the Group continually develops its technologies in this area. Furthermore, the EU has committed to also establish a limit for tyre wear. This is intended to help reduce the release of microplastics into the environment. The Group works closely with its suppliers to verify compliance with these limits in order to coordinate the targeted implementation of new technologies for reducing microplastics.

Basic information on responsibilities regarding sustainability topics of the Mercedes-Benz Group is explained in the chapter “Governance” under “[Tasks and responsibilities of the Board of Management and the Supervisory Board with regard to sustainability](#)”.

Actions

Environmental protection in the supply chain

Environmental protection including hazardous substance-related aspects are anchored in the contractual terms and conditions of the RSS and must be passed on by partners to their supply chains.

The Mercedes-Benz Group requires its suppliers to keep their use of chemicals and hazardous substances as low as possible and to reduce the generation of hazardous waste in production processes as much as possible. Critical hazardous substances should be replaced by less critical substitutes. Suppliers are required to also incorporate these requirements within their own supply chain.

According to the RSS, suppliers must identify and label all chemicals and hazardous substances that are stored or processed or that arise during production. Suppliers must avoid hazards posed by these substances, such as air and soil pollution, water pollution and other harmful impacts, as far as technically possible.

Further topic-specific information is presented in the section “Climate change mitigation in the upstream value chain” under “Policies” and in the chapter “Water and marine resources” under “Actions”.

Reduction of emissions to air in production

In order to further reduce VOC emissions at the Group’s own production sites, the Mercedes-Benz Group is modernizing and optimizing its paint shops where necessary.

At the Kecskemét plant in Hungary, the Mercedes-Benz Group started an operational trial with a new exhaust air purification technology to reduce VOC emissions in the clear coat line. The method used enables VOC removal at room temperature. This aims to achieve significantly lower energy consumption than comparable thermal processes.

Reduction of particulate emissions during vehicle operation

The Mercedes-Benz Group is investigating the actual measurements of fine particulate matter generated during driving by abrasion of the wheel brakes. It is analysing the effect of possible technical measures to reduce brake abrasion from its vehicles.

In hybrid or all-electric vehicles, a significant proportion of the deceleration is achieved through energy recovery (recuperation), which can already increasingly reduce brake dust emissions.

Metrics – Emissions to air

The Mercedes-Benz Group regularly evaluates and assesses the emissions to air recorded at its locations. The Group records its emissions to air worldwide using an internal data management system. The metrics are determined at site level and based on a group-wide methodology.

VOCs are a key metric for emissions to air at the production sites. The sites have two group-wide methods available to measure VOC emissions (direct and indirect measurement of VOC emissions). With the direct method, the emitted VOC quantities are recorded as part of a summary assessment. The indirect method, on the other hand, describes the recording of all solvent-containing material brought to the site. All solvent quantities that are not emitted (e.g. burned, disposed of, recovered, etc.) are accordingly subtracted from the amount of solvent brought in. The selection of the appropriate method for calculating VOC emissions depends on the specific conditions at the site.

The Group determines further metrics for emissions to air (e.g. NO_x, SO₂) as an annual load. The determination is based on site-specific measurements of the concentration and volume flow of the respective substances. If annual data for individual parameters are not yet available at the time of collection, data are extrapolated using the previous year's data.

Emissions to air (in t)

	2025	2024
Solvents – VOC	2,913	3,296
Nitrogen oxides – NO _x	109	207
Zinc – Zn	- ¹	2

¹ No exceedance of the threshold value according to the European Pollutant Release and Transfer Register (E-PRTR) Annex II.



Water and marine resources

Material impacts, risks and opportunities and their interaction with strategy and business model

Water is an indispensable resource for the environment and society.

The Mercedes-Benz Group is aware of its responsibility and has anchored the issue of water as an important element in the focus area of “Resource Use and Circular Economy”. Additional information can be found in the chapter “General information” under “[Strategy, business model and value chain](#)”. The Group has the ambition to conserve water resources through efficient use and to avoid water pollution through comprehensive prevention. Innovative solutions such as wastewater treatment and water recycling are part of the strategy. Suppliers are contractually obliged to meet minimum requirements for water protection and quality as well as the handling of water resources.

The material impacts, risks, and opportunities, as well as information on the resilience analysis, are disclosed in the “General information” under “[Material topics, impacts, risks, and opportunities](#)”.

Policies

The Mercedes-Benz Group aims to reduce water supply in the upstream value chain and at its own locations. Especially in areas of high-water stress, water withdrawal should be further reduced.

Basic information on responsibilities regarding sustainability topics of the Mercedes-Benz Group is explained in the chapter “Governance” under “[Tasks and responsibilities of the Board of Management and the Supervisory Board with regard to sustainability](#)”.

Upstream value chain

The contractual terms and conditions of the Mercedes-Benz Group for suppliers are anchored in the Responsible Sourcing Standards (RSS). These also cover the aspects of water protection and quality. The central approach of the RSS is described in the “Governance information” in the chapter “Corporate culture” under “[Expectations of business partners](#)”.

In the area of water, the Group requires its suppliers to protect the resource freshwater (drinking water, groundwater, rainwater and inland waters) through efficient use, to reduce freshwater consumption and to treat accruing process wastewater appropriately prior to direct or indirect discharge.

Water supply at own locations

The Mercedes-Benz Group wants to reduce water supply (water supply = water withdrawal - transfer to third parties) at its locations - for example, through recycling, i.e., the repeated treatment and use of water for production purposes. Additionally, it aims to cease the use of drinking water for the main production processes at its production plants. If the site-specific conditions allow, rainwater and surface water should be used. The responsibilities within the Group for the implementation of resource-saving water use in production and the monitoring of the policies are described in the section “Climate change mitigation in own business activities” under “[Policies](#)”.

Targets

Target	Target horizon	Status
Mercedes-Benz Cars: Reduce water supply per vehicle by 50% compared to 2023 ^{1, 2, 3} .	2030	According to plan
Mercedes-Benz Vans: Reduce water supply per vehicle by 19% compared to 2023 ^{2, 3, 4} .	2030	According to plan

1 In 2023, the water supply, excluding transfers to third parties, of Mercedes-Benz Cars was 4.03m³/vehicle.

2 This target applies to all of the Group's own production sites.

3 Voluntary goal.

4 In 2023, the water supply, excluding transfers to third parties, of Mercedes-Benz Vans was 3.32m³/vehicle.



The Mercedes-Benz Group has set itself targets for reducing its water supply. The overarching principles applied to the strategic targets of the Mercedes-Benz Group can be found in the “General information” under [“Basis of preparation of the sustainability reporting”](#). In order to review its management approach and its targets and to adapt them if necessary, the Mercedes-Benz Group engages in dialogues with external stakeholders and uses the results obtained. Detailed information on these dialogues can be found in the chapter “Climate change” under [“Policies”](#).

Actions

Upstream value chain

The contractual terms and conditions of the RSS oblige suppliers of the Mercedes-Benz Group, among other things, to protect the resource of freshwater through efficient use and to reduce water consumption. Furthermore, the environmental compatibility of wastewater discharge must be assessed and suitable preventive actions must be implemented. In this way, the Group counteracts the contamination of surface or groundwater in product procurement and production.

When it comes to battery procurement, the Mercedes-Benz Group requires new suppliers to source cobalt, lithium, nickel, natural graphite and manganese in the long term from mines that have been audited by the Initiative for Responsible Mining Assurance (IRMA). The IRMA criteria also include requirements for water

consumption. If the supplier uses water in raw material processing, it must identify related challenges and opportunities at local and national levels. Furthermore, any negative impacts on the resource water must be mitigated through appropriate actions.

Closed water and cooling loops in production

For cooling in production, the Mercedes-Benz Group is relying on replacing open cooling towers with closed and hybrid cooling systems. Treating and reusing wastewater is a major lever for the Mercedes-Benz Group to reduce water supply.

In June 2023, the Group launched a pilot project in wastewater recycling together with the operator of the municipal sewage treatment plant at the Sindelfingen site (Germany). Part of the drinking and well water used, will be replaced in production by treated municipal wastewater. In the reporting year, the site was able to save 197,369 m³ of drinking and well water. Another pilot test at the Mettingen section of the Untertürkheim site in Germany confirmed that the almost closed cycle saves considerable amounts of water. From 2028, all production and sanitary wastewater at the site is to be treated using a wastewater recycling installation and fed back into the existing industrial water network. The same action is being tested for other locations.

Water risk assessment

The Mercedes-Benz Group evaluates all locations worldwide concerning their location in water stress and

water risk areas. To this end, the Group uses the Water Risk Filter of the World Wide Fund for Nature (WWF) and the Aqueduct Water Risk Atlas assessment tool of the World Resources Institute (WRI). The water risks identified through the analyses are known at the locations. Extensive wastewater recycling actions have been implemented, for example, for watering green spaces. In addition, there are actions at all locations for wastewater treatment, water recycling, preventing contamination of groundwater and rainwater, and flood protection.

Metrics – Water consumption and supply

In accordance with the requirements of the CSRD and the ESRS, the Group calculates the total water consumption from water withdrawal minus water discharge¹ (water consumption = water withdrawal - water discharge).

In addition, the Mercedes-Benz Group applies its own calculation method, in accordance with its targets (“Mercedes-Benz calculation method”). This relates to the supply of high-quality water types including drinking water, surface water, well water, groundwater or rainwater. This approach only allows the deduction of water supplied to third parties, neither the return of water used for irrigating green spaces (high water quality) nor the discharge of wastewater (low water quality) can be deducted (water supply = water withdrawal - transfer to third parties).

¹ Water discharge also includes irrigation of green spaces.



In both cases, the Mercedes-Benz Group regularly evaluates and assesses the main water withdrawal points, return routes and consumers. The Mercedes-Benz Group records all water data worldwide by using a data tool and uses this to determine its water supply. The data basis for this are invoices from water supply companies or data from water extraction points (e.g. wells). 83% of the data is collected on this basis. If no invoices are available, the company's own measurements are used. The locations are responsible for the operation and documentation of the relevant internal water measuring points. If invoices or measurements are not available by the end of the year, estimates by internal experts are used. These are based on experience from previous years or projections based on current water meter data and production volume trends.

In the reporting year, water volumes of recycled and reused water were considered. Each recirculation cycle is only counted once. 23% of the collected data is based on invoices or measurements. On the basis of the available data, the total value for the Mercedes-Benz Group is extrapolated. This method of calculation was also applied to correct the figures for the year 2024, because in that year only water volumes based on measured data relating to reused water were recorded.

In order to determine water consumption in water risk areas, including areas of high water stress, the Mercedes-Benz Group analyses all locations worldwide. For this purpose, the company uses the "Aqueduct Water Risk Atlas" of the World Resources Institute (WRI) to assess overall water risk and baseline water stress.

According to the "Aqueduct Water Risk Atlas", all water-related risks are assessed through total water risk measures. For this purpose, all selected indicators from the categories "quantity and quality of physical risk" and "regulatory and reputational risk" are aggregated. Baseline water stress reflects the ratio of total water withdrawal to available renewable surface and groundwater supplies. Water withdrawal includes domestic and industrial irrigation purposes. Higher values indicate more competition among users. 84% of the collected data is based on invoices or measurements.

**Water consumption in own operations (in 1,000 m³) -
 Calculation in accordance with ESRS**

	2025	2024 ¹
Water consumption ¹	2,159	2,091
Water consumption in areas at water risk ²	1,051	994
Water recycled and reused ³	2,488	2,571
Water stored ⁴	-	-

**Water consumption per net revenue⁶ (in m³/millions of euros) -
 Calculation in accordance with ESRS**

	2025	2024
Water consumption per net revenue	16.3	14.4

**Further information on water supply (in 1,000 m³) -
 company-specific**

	2025	2024
Mercedes-Benz calculation method		
Water supply in own operations	7,170	7,471
thereof in production	5,892	6,238

**Water supply in production per vehicle (in m³/vehicle) -
 company-specific**

	2025	2024
Mercedes-Benz calculation method		
Mercedes-Benz Cars ⁶	3.81	3.79
Mercedes-Benz Vans	3.35	3.56

1 The increase compared to the prior year is due to water-intensive construction measures, underground water pipe breaks and the change in the quantity measurement method of a public water supplier.

2 Including areas of high water stress.

3 Due to a correction in the methodology for determining the value, the figure for 2024 was recalculated. Compared to the methodology used in the prior year, the value increased by 2,425,000 m³.

4 Water storage according to ESRS does not occur at Mercedes-Benz locations.

5 The net revenue refers to Revenue in the Consolidated Statement of Income.

6 The increase in vehicle-specific water supply compared to the prior year is mainly due to the decrease in the number of units.



Biodiversity and ecosystems

Material topics and their interaction with strategy and business model

Biological diversity and ecosystem services are an indispensable foundation for society and the environment. Therefore, it is all the more important to protect natural habitats. Economic activities along the value chain can have an impact on this.

As a player in the automotive industry, the Mercedes-Benz Group is aware of its role in the responsible use of natural resources, the protection of biodiversity and ecosystems. Through the strategic focus areas of sustainability “Resource conservation and circular economy”, the Mercedes-Benz Group manages the use of resources across the entire Group. Further information can be found in the chapter “General information” under “[Strategy, business model, and value chain](#)”.

The conscious use of natural resources should reduce impacts that may occur along the value chain with regard to biodiversity.

Material impacts from CO₂ emissions and environmental pollution have been identified for the Group’s own business activities. The Mercedes-Benz Group considers the proximity of its locations to biodiversity-sensitive areas. This is already taken into account during location selection and planning. The Group also takes biodiversity-relevant aspects into account in construction projects and assesses the necessity of an Environmental Impact Assessment (EIA).

Where necessary, consultations are conducted with affected communities to ensure that their concerns and perspectives are taken into account. Additionally, biodiversity-sensitive areas are considered in internal due diligence processes to ensure that impacts on biodiversity are identified and addressed at an early stage.

Suppliers are contractually obliged to meet requirements regarding biodiversity and deforestation-free supply chains. More detailed information on the structure of the supply chain can be found in the chapter “Climate change” under “[Climate change mitigation in the upstream value chain](#)”.

The material topics, as well as information on the resilience analysis, are disclosed in the “General information” under “[Material topics, impacts, risks and opportunities](#)”.

Policies

The preservation of biodiversity plays an important role for the Mercedes-Benz Group. Direct impacts along the value chain, as well as indirect factors such as emissions to air and water and resource use, influence biodiversity and ecosystems.

The Mercedes-Benz Group aims to protect and promote biodiversity and ecosystems. The Group has developed policies and actions to deal with the impacts, which are described in the chapters “[Climate change](#)”, “[Pollution](#)”, “[Water and marine resources](#)” and “[Resource use and circular economy](#)”. The policies and actions mitigate and minimize the direct and indirect impacts along the value chain. In accordance with the mitigation hierarchy, environmental impacts of the Mercedes-Benz Group are reduced or avoided as far as possible, and, where necessary, compensated.

The Group is committed to the three fundamental targets of the International Convention on Biological Diversity (CBD) and the Kunming-Montreal Biodiversity Framework. These goals aim to conserve and sustainably use biological diversity and ensure the equitable sharing of benefits arising from the use of genetic resources.

**Requirements for suppliers**

The contractual conditions for suppliers of the Mercedes-Benz Group also set requirements for the protection of biodiversity. The Responsible Sourcing Standards (RSS) require, among other things, that suppliers avoid environmental damage and take due diligence measures to protect biodiversity. In addition to minimizing additional land use and surface sealing, suppliers must implement appropriate due diligence measures to support the long-term protection of natural ecosystems. This includes, among other things, protection against illegal deforestation and the conversion of natural forests or other ecosystems. Furthermore, the group requires its partners, who have more than 50 employees across the entire company, to establish an environmental management system in accordance with ISO 14001 or the Eco-Management and Audit Scheme (EMAS) for the procurement of production materials.

The system is designed to identify and monitor activities relevant to biodiversity, thereby increasing transparency in the supply chain.

The Mercedes-Benz Group requires its suppliers to neither contribute to nor profit from illegal deforestation through their own business activities. In addition, it contractually obliges its suppliers to take due diligence measures to support the protection of natural forests throughout the supply chain. The central approach of the RSS is described in the “Governance Information” in the section “Corporate culture” under [“Expectations of business partners”](#).

Promotion of biodiversity at the production sites

The Mercedes-Benz Group strives to preserve and promote biodiversity at its production sites.

As part of an internal environmental due diligence process to assess environmental risks, the Group creates location profiles for its production sites worldwide. The Group takes into account, among other things, the degree of surface sealing, the hydrogeological situation, land-use classification and neighbouring land use. Additionally, it is assessed and documented whether the site and the surrounding area are in ecologically sensitive areas or protected zones. The Group also considers land consumption for construction projects during site planning, which should generally be kept as low as possible.

Further investigations revealed that there are sites located near biodiversity-sensitive areas. This analysis also shows that none of these sites have negative impacts on the surrounding biodiversity-sensitive areas.

Some German plants of the Mercedes-Benz Group evaluate their areas using the internally developed biodiversity index (BIX). An internal guideline is available to the sites for this purpose. This makes it possible to categorize the areas based on their characteristics using an internal evaluation matrix. This enables the sites to identify their areas in terms of their potential and develop actions. This, in turn, makes it possible to increase biodiversity and thus the ecological value.

Biodiversity aspects are part of the environmental management assessment process at the individual sites. Detailed information on responsibilities and the monitoring of sustainability processes at the production sites can be found in the section “Climate change mitigation in own business activities” under [“Policies”](#).

Actions**Initiatives and partnerships to promote biodiversity**

In addition to its operational business activities, the Group is involved in foundations such as the Global Nature Fund, as well as in various associations, committees, and sustainability initiatives. In 2024, Mercedes-Benz Group AG, Norsk Hydro Brazil and Hydro Fund, together with local NGOs and partners, signed a Memorandum of Understanding to conserve biodiversity in the Amazon region in Brazil establishing the Corridor Program. The aim is to achieve progress for both people and nature. In the reporting year, partner NGOs conducted environmental and territorial baseline studies, identifying priority areas for biodiversity conservation, reforestation, and sustainable land use. These findings will be a strong foundation for specific actions in the following years.

**Supplier management**

In addition to the mandatory requirements of the RSS, the Group requires an IRMA audit of mines for cobalt, lithium, nickel, graphite, manganese and copper for battery-related contracts. Mine operators are required to assess possible impacts on biodiversity, ecosystems and protected areas near the mining area. The effectiveness of the actions to mitigate the effects is to be reviewed. Detailed information on the IRMA audit is disclosed in the chapter “Water and marine resources” under “[Actions](#)”. The Mercedes-Benz Group expects its suppliers to comply with the established goals and actions and to pass on and enforce these requirements with their own suppliers.

When dealing with impacts on biodiversity along the supply chain, the Mercedes-Benz Group follows the principle of “empowerment before withdrawal”. Accordingly, the Group does not generally exclude high-risk areas as sources of critical raw materials. Further details are described in “Social information” in the section “Workers in the value chain” under “[Mitigation and remediation of negative impacts](#)”.

In leather production and the associated animal husbandry, for example in Brazil, changes in land use can lead to negative impacts on biodiversity. A very small proportion of the leather used by the Mercedes-Benz Group originates from Brazil. The Mercedes-Benz Group signed a Memorandum of Understanding with a local supplier and an international organization to introduce deforestation-free leather supply chains. Any hides identified as critical are excluded from

further processing into products for the Mercedes-Benz Group. After three years of cooperation, in this reporting year, all leather hides that Mercedes-Benz Group leather suppliers sourced from Brazil are traceable back to the birth farm of the cattle. Detailed information on the sourcing of leather is described in the chapter “Resource use and circular economy” under “[Actions](#)”.

The Gold certification according to the international Leather Working Group (LWG) standard is a mandatory requirement for tanneries in the leather supply chain for new contracts. All tanneries used are already audited, mostly to the Gold standard.

Furthermore, the Group is committed to deforestation-free and legally compliant supply chains and pledges to consistently implement the EU Deforestation Regulation (EUDR) for all relevant raw materials in the future.

Biodiversity at production sites

The Mercedes-Benz Group has developed internal guidelines to provide basic information for site enhancement and to improve biodiversity at its German sites. These provide plants and business units with practical advice on how to design their land in a nature-friendly way.

The Mercedes-Benz Group has already established numerous actions in its production plants worldwide to protect, preserve and improve biodiversity. For example, nesting aids for native birds and insects have been built and wild bee hotels have been set up. Some locations have created green roofs, dry streams and

stone areas as habitats for cold-blooded animals as well as rock gardens and flower meadows. The German Nature and Biodiversity Conservation Union (NABU) monitors and documents the implementation of actions to protect flora and fauna at the German sites.

The Group uses internal communications to raise awareness among its employees about the importance of biodiversity.

Protection of biodiversity during vehicle use

Based on the materiality assessment, the ENCORE tool and life cycle assessment evaluations, the Mercedes-Benz Group determined that climate change mitigation and resource conservation are the relevant levers for reducing a product-related biodiversity footprint. The Mercedes-Benz Group addresses both levers through concrete targets and actions in the areas of “[Climate change](#)” and “[Resource use and circular economy](#)”.



Resource use and circular economy

Material impacts, risks and opportunities and their interaction with strategy and business model

The Mercedes-Benz Group aims to increasingly decouple resource consumption from the growth of its production volume and to keep the consumption of primary resources as low as possible. In doing so, the Group intends to help promote both economic growth and sustainability. The Mercedes-Benz Group can only achieve this by consistently conserving resources and continuing to close recycling loops.

Furthermore, the Mercedes-Benz Group sets requirements for its suppliers to mitigate negative impacts on resource consumption in the upstream value chain. The Responsible Sourcing Standards oblige direct suppliers to adhere to guidelines for environmental and resource conservation, for example, by providing information on their use of sustainable materials. Additional information on the supply chain structure is described in the chapter “General information” under [“Strategy, business model and value chain”](#) and in the section “Climate change mitigation in the upstream value chain” under [“Policies”](#).

The Mercedes-Benz Group aims to keep the amount of waste generated as low as possible in its production processes. To this end, total waste, including waste for disposal, is to be continuously reduced.

The Mercedes-Benz Group manages the topic of resources and the circular economy through the strategic focus area of sustainability “Resource conservation and circular economy”. Further information can be found in the chapter “General information” under [“Strategy, business model and value chain”](#).

The material topics, impacts, risks and opportunities as well as information on the resilience analysis are disclosed in the “General information” under [“Material topics, impacts, risks and opportunities”](#).

Policies

Decoupling resource consumption from growth

To minimize the consumption of primary resources, the Mercedes-Benz Group aims to increasingly decouple its resource consumption from the growth of its production output. The focus here is on aluminium, steel, and plastics, as they are required in large quantities for vehicle production and are particularly energy- and resource-intensive.

The Mercedes-Benz Group is increasingly focusing on the circular economy. With its Design-for-Circularity approach, the Group places particular emphasis on durability, repairability, reusability and recyclability in the development of its vehicles and components. When developing products, the Group creates a recycling concept for each type of recycling right from the start. All components and materials are analysed for this purpose, and their suitability for the various stages of the recycling process is examined.

Basic information on responsibilities regarding sustainability topics of the Mercedes-Benz Group is explained in the chapter “Governance” under [“Tasks and responsibilities of the Board of Management and the Supervisory Board with regard to sustainability”](#).

Resource conservation along the value chain

Mercedes-Benz Cars and Mercedes-Benz Vans strive to limit the amount of primary material and increasingly reduce it through the use of secondary materials. For new Mercedes-Benz vehicles, the Mercedes-Benz Group specifies a minimum secondary material content for each focus material in its requirement specifications.

Already during vehicle development, Mercedes-Benz Cars and Mercedes-Benz Vans follow the “Design for Environment” approach. During the conception phase, experts rethink the material composition. They examine alternatives, use recycled materials and focus on lightweight construction and recyclability. This should make the vehicles more resource-efficient throughout their entire life cycle. For fundamental decisions regarding construction concepts, manufacturing technologies, and material usage, the Board of Management member of Mercedes-Benz Group AG responsible for development will be involved. In doing so, he considers a multitude of factors. In addition to costs, resource-efficient technologies and the use of alternative materials such as secondary materials and renewable raw materials, this also includes industrialization options. In doing so, he examines the extent to which development results can be transferred to large-



scale industrial production, for example with regard to raw materials usage.

The Group assesses the resource efficiency of a vehicle based on various criteria, such as the medium- and long-term availability of raw materials, social acceptance and the social and environmental impacts and risks of these raw materials. In product development, the Group uses material balances to assess and compare different vehicles, components and technologies. The 360° Environmental Check of vehicles at Mercedes-Benz Cars also contributes to this, and is described in the chapter “Climate change mitigation in the downstream value chain” under “Policies”.

Together with its suppliers, the Mercedes-Benz Group aims to continuously increase the proportion of secondary materials in its vehicles. Using its Responsible Sourcing Standards (RSS), the Mercedes-Benz Group defines environmental requirements in its supplier contracts and requires its suppliers to increase their use of secondary materials, in order to minimize the consumption of primary resources. The central approach of the RSS is described in the “Governance information” in the section “Corporate culture” under “Expectations of Business Partners”.

The Mercedes-Benz Group aims to keep the amount of waste generated in production as low as possible and to reduce it continuously. In doing so, it takes the waste hierarchy¹ into account.

Basic information about the policy at the production sites is also described in the section “Climate change mitigation in own business activities” under “Policies”.

As an automobile manufacturer, the Mercedes-Benz Group takes responsibility for the environmentally sound disposal of its end-of-life vehicles. These can be returned free of charge by the final owner to the Mercedes-Benz AG take-back network in Germany. The Group strives to avoid vehicle waste and to promote the take-back, reuse and recycling of vehicles and their components.

Identification of critical raw materials

Electromobility is driving demand for increased use of specific raw materials such as cobalt and lithium. The Mercedes-Benz Group analyses these raw materials in comprehensive raw material assessments in order to counteract potential human rights and environmental risks. Suppliers are involved in these processes in order to jointly pursue these strategic ambitions.

Involvement in raw material initiatives

For the Mercedes-Benz Group, involvement in raw material initiatives is an important tool for promoting the responsible procurement of raw materials. The Mercedes-Benz Group focuses on the resources aluminium and steel.

The Mercedes-Benz Group is a member of the Aluminium Stewardship Initiative (ASI). It thus supports an independent certification system with ethical, ecological and social aspects for the entire aluminium value chain. Suppliers to Mercedes-Benz Group’s press shops only receive orders subject to the condition that all production stages of the primary aluminium used, from the mine to the rolling mill, are ASI-certified.

The Mercedes-Benz Group is also a member of the Responsible Steel Initiative, which is developing a uniform certification scheme. This includes requirements for the responsible use of resources and addresses the greenhouse gas emissions of the steel industry.

In 2025, the Mercedes-Benz Group became the first automotive manufacturer to join the Renewable Carbon Initiative (RCI). This initiative aims to accelerate the chemical industry’s transition to a fossil-free economy. Fossil raw materials are to be replaced by secondary materials, bio-based raw materials, and CO₂ from carbon capture and utilization (CCU).

¹ A waste hierarchy defines the various approaches for handling waste and prioritizes them. The most important measures are those that are especially environmentally compatible.



Targets

Target	Target horizon	Status
Increase the use of secondary raw materials to 40% ¹ in line with “Ambition 2039”.	Within the next decade	According to plan
Reduce the total amount of waste per vehicle in production by 19% (Mercedes-Benz Cars) and 16% (Mercedes-Benz Vans) compared to 2023 ^{2,3} .	2030	According to plan
Reduce the waste for disposal per vehicle in production by 54% (Mercedes-Benz Cars) and 71% (Mercedes-Benz Vans) compared to 2023 ^{3,4} .	2030	According to plan

¹ Voluntary goal.

² In 2023, the total amount of waste per vehicle in production was 401.2 kg/vehicle (Mercedes-Benz Cars) or 103.3 kg/vehicle (Mercedes-Benz Vans).

³ The target refers to the first level of the waste hierarchy (prevention).

⁴ In 2023, the waste for disposal per vehicle in production was 3.5 kg/vehicle (Mercedes-Benz Cars) or 9.1 kg/vehicle (Mercedes-Benz Vans).

The Mercedes-Benz Group has set itself targets for reducing resource consumption and waste generation in production. Mercedes-Benz Cars and Mercedes-Benz Vans were each able to tighten the target for waste for disposal per vehicle for 2030, as additional potentials for reducing waste for disposal could be identified. The overarching principles applied to the strategic targets of the Mercedes-Benz Group can be found in the

“General information” under “[Basis of preparation of the sustainability reporting](#)”. In order to review its management approach and its targets and to adapt them if necessary, the Mercedes-Benz Group engages in dialogue with external stakeholders and uses the results obtained. Detailed information on these dialogues can be found in the chapter “Climate change” under “[Policies](#)”.

Actions

Secondary materials and renewable raw materials

The Mercedes-Benz Group relies on secondary materials, such as recyclates, as well as on the use of renewable raw materials in its vehicles. Mercedes-Benz Cars and Mercedes-Benz Vans already use recycled materials in all series-produced vehicles.

These include, for example, upholstery fabrics for the interior, which are made from up to 100% recycled PET, as well as leather-free equipment variants, which consist of up to 73% recycled material. In collaboration with Pyrum Innovations AG and BASF SE, a new type of recycled plastic is being created through chemical recycling of used vehicle tyres. The Mercedes-Benz Group is already using the innovative plastic in series production for various components and wants to continuously use chemical recycling for other plastic components in the vehicle. These secondary materials can help to reduce CO₂ emissions in the manufacturing process of the materials and lower primary resource demand.

Two feasibility studies investigated the reprocessing of end-of-life materials for use in vehicle components. In collaboration with BASF SE, two different recycling processes, depolymerization and solvolysis, were evaluated. Automotive shredder residues (ASR) and heavily contaminated, used oil pans served as input streams in these studies. The innovative recycling methods are intended to reintegrate end-of-life materials into the material cycle and reuse them in vehicle production

To continuously increase the availability of such sought-after secondary materials, the expansion of existing and new recycling technologies is essential. Pilot projects along the value chain are of central importance in order to continuously broaden the range of recycling processes used and to gain sound insights.

Mercedes-Benz Group is focusing on natural fibres and textiles in addition to secondary raw materials. This is intended to replace conventional plastics with renewable raw materials. The Group already uses a wide range of renewable raw materials such as hemp, kenaf, wool and natural rubber.

**Lightweight construction to reduce resource use**

The right materials as well as intelligent component design and manufacturing technologies can significantly reduce the weight of a vehicle while maintaining high safety and comfort standards. Lightweight construction can therefore directly reduce the amount of material required for vehicle manufacture. It should be noted that in electric vehicles, the eDrive system accounts for the largest proportion of the weight, while in conventionally powered passenger cars, the body shell is the heaviest. For the body, the Mercedes-Benz Group is increasingly working with aluminium alloys for external body panels and reinforcements in order to optimize the weight and functionality of the vehicle body shell.

Sustainable materials in the supply chain

As part of the group-wide Responsible Sourcing Standards (RSS), the Mercedes-Benz Group requires its suppliers to continuously develop and scale up recycling technologies. They are also expected to develop alternative, more sustainable materials in order to ensure the highest possible share of secondary materials in the product. Through partnerships and long-term supply contracts, the Mercedes-Benz Group aims to manage volatility in purchase prices for more sustainable materials.

The Group is researching animal-free, resource-efficient alternatives to genuine leather. When developing and selecting materials, the Mercedes-Benz Group prioritizes the highest possible recycled content. Furthermore, it favours renewable raw materials over petroleum-based ones.

In selected models, Mercedes-Benz already offers leather, for which only plant-based, organic-mineral or alternative chrome-free tanning agents are used. For future model series, the Group will source leather from producers certified to the Leather Working Group's Gold Standard. This includes, among other things, the requirement to reduce water, energy, and chemical usage in the tanning process.

In addition, the Mercedes-Benz Group is working with its suppliers to improve the environmental impact of leather products. Partners must submit a life cycle assessment covering the entire value chain and take targeted actions to reduce the ecological footprint of the leather. Information on the requirements for suppliers regarding deforestation-free leather supply chains can be found in the chapter "Biodiversity and ecosystems" under "[Actions](#)".

Contribution to circular economy

The overarching goal of the circular economy is to preserve the value of products, components and materials for as long as possible. The Mercedes-Benz Group is increasingly implementing actions that promote the circular economy.

Reuse and Recycling

The Mercedes-Benz Used Parts & Services GmbH (MB UPS) dismantles decommissioned Mercedes-Benz vehicles and repurposes their components and rejects, to sell them as used spare parts. Only if the removed parts meet the stringent quality requirements of the MB UPS are they offered for sale with the same warranty as a new part. Components that do not meet the high requirements of the MB UPS are recycled. This allows valuable raw materials to be recovered and kept in circulation, in particular copper from vehicle cables, gold from control unit circuit boards or platinum from catalytic converters.

Lithium-ion batteries also contain valuable raw materials such as lithium or cobalt. For this reason, the Mercedes-Benz Group is striving to reuse the battery in the vehicle or to convert it for use in a stationary energy storage system. The Group is gradually expanding its solutions for remanufacturing and reusing defective batteries to include newer battery generations. In this way, the Group is improving the environmental footprint of electric vehicles and at the same time contributing to a more sustainable energy industry.

Recycling and recovery

Aluminium scrap plays a crucial role in reducing the Mercedes-Benz Group's primary resource requirements. To achieve this, the Group relies on innovative recycling processes and cooperation with partners.



In partnership with aluminium manufacturer Norsk Hydro ASA, Mercedes-Benz Group AG brought components for the body shell made of CO₂-reduced aluminium with a minimum proportion of 25% post-consumer scrap into series production.

Batteries are an important component in the transition to climate-friendly electric mobility. The Mercedes-Benz Group aims to further increase the recycling rate of batteries in order to use the raw materials they contain in the long term. If a battery can no longer be reprocessed or reused, it is recycled.

In 2024, Mercedes-Benz AG built its own pilot factory for recycling lithium-ion battery systems at the Kuppenheim site (Germany). With its innovative hydrometallurgical process, Mercedes-Benz AG aims to achieve a recovery rate of more than 96%. While the mechanical process sorts plastics, copper, aluminium and iron into pure fractions in a complex, multi-stage process, the subsequent hydrometallurgical process focuses on the so-called black mass. In a multi-stage chemical process, the valuable metals cobalt, nickel and lithium are extracted individually. These recyclates are of battery quality and are therefore suitable for the production of new battery cells. Mercedes-Benz AG is also working with partners in China and the United States to establish a closed materials cycle for batteries.

Mercedes-Benz and TSR Group GmbH & Co. KG are continuing to expand their partnership, which began in 2024, to promote a circular economy for end-of-life vehicles. As part of a pilot project on “urban mining”, the partners are building an innovative take-back site for end-of-life vehicles. The ambition is to strategically utilize urban raw material sources, close value chains, and recover high-quality secondary raw materials for use in new Mercedes-Benz vehicles.

The pilot project started in the summer of 2025. Purchased end-of-life vehicles are dismantled, regardless of the brand. Legally classified pollutants, as well as valuable and easily accessible components, are removed. The materials are then processed using an innovative recycling method developed by TSR Group GmbH & Co. KG. Materials such as steel, aluminium, plastic, copper, and glass are recovered, separated by type, and subsequently reintegrated into the production cycle via selected material suppliers.

Until the urban mining policy is fully implemented, the Mercedes-Benz Group is commissioning partners to establish comprehensive, nationwide networks of accredited take-back points in Germany. These partners ensure that the vehicles are disposed of in an environmentally sound and legally compliant manner – in accordance with the End-of-Life Vehicles Directive. During dismantling, the companies remove components, substances and materials that are either disposed of as pollutants or, in accordance with legal requirements,

are primarily reused or recovered. Dismantling facilities are legally obliged under the End-of-Life Vehicles Directive to take sufficient precautions to ensure that they do not impair the quality of recyclable waste generated in operations. Furthermore, they must avoid endangering the environment and comply with all relevant environmental protection regulations.

The Mercedes Recycling Management System (MeRSy) workshop waste disposal system of the German retail organization collects and recycles workshop waste. This includes vehicle parts, fluids, and spare part packaging that arise during the maintenance or repair of vehicles.

Reduction of waste volumes

In Europe, the Mercedes-Benz Group records waste according to waste code numbers and disposes of it in accordance with legal regulations. The Mercedes-Benz Group works with licensed and certified waste disposal companies to ensure the professional disposal of waste.

With the help of new and optimized production processes and partnerships throughout the entire value chain, the Mercedes-Benz Group reduces waste and prepares it for reuse or recovery.

To ensure transparency regarding internal waste streams, Mercedes-Benz AG implemented an IT and measurement system at its German sites in 2024 and was already able to gain insights into these streams

during the reporting year. This enabled the company to initiate initial actions for waste reduction. In addition to waste identification numbers and waste type recording, the new system allows for the allocation of waste generated in operations according to the polluter pays principle.

The Mercedes-Benz Group also continued to reduce waste such as offcuts, sands, and sludges through new or optimized production processes.

Through various actions such as reducing scrap quantities in axle production, optimizing laser welding, and optimizing cutting in the millimetre range in press part production, further waste reduction was achieved.

Metrics

Resource inflows

The vehicles of the Mercedes-Benz Group are made of steel, iron materials, light metals, polymer materials and other materials. The Mercedes-Benz Group uses natural resources, e.g. water, and technical resources such as raw materials and vehicle parts as well as property, plant and equipment for its production processes. Information on the water used in the Group's own business activities can be found in the chapter "Water and marine resources" under "[Metrics – water consumption and supply](#)".

The total material inflow includes the vehicle-relevant gross material usage, which consists of the materials installed in the vehicle and the production-related waste.¹

The Group records the quantity structure for vehicle materials via International Material Data System (IMDS) and multiplies this by the number of units. The information of the trim waste are provided via the internal disposal management.

The Group determines the secondary material content by analysing supplier declarations in IMDS and surveys of semi-finished product suppliers, taking into account industry standard values provided by institutions.

Resource inflows Mercedes-Benz Group

	2025	2024
Total weight of products and technical and biological materials used during the reporting period (in 1,000 t)	3,890	4,096
Share of certified biological materials (in %) ¹	0	0
Weight of secondary materials (in 1,000 t)	686	711
Share of secondary materials (in %)	17.6	17.4

¹ Rounded value.

¹ Information exclusively for Mercedes-Benz Cars.



Quantities of waste

The waste generated by the Mercedes-Benz Group primarily results from production waste. Significant waste streams in production include, for example, scrap, sand, emulsions, rinsing solutions from technical cleaning, household-like waste, and packaging.

These waste streams encompass metals (e.g. steel/aluminium scrap) as well as non-metals (e.g. plastics and textiles). Additionally, all other waste generated by the Mercedes-Benz Group is recorded.

Waste (in 1,000 t)

	2025	2024
Hazardous waste: Preparation for reuse	0.3	0.2
Hazardous waste: Recycling	18.6	21.3
Hazardous waste: Other recovery	23.7	24.7
Total amount of hazardous waste diverted from disposal	42.6	46.2
Non-hazardous waste: Preparation for reuse ¹	5.3	2.7
Non-hazardous waste: Recycling ¹	716.4	561.3
Non-hazardous waste: Other recovery ¹	101.4	85.1
Total amount of non-hazardous waste diverted from disposal¹	823.1	649.1
Total amount of waste diverted from disposal¹	865.7	695.3
Hazardous waste: Incineration	2.0	2.3
Hazardous waste: Landfill	1.6	8.8
Hazardous waste: Other disposal operations ¹	8.3	2.6
Total amount of hazardous waste directed to disposal	11.9	13.7
Non-hazardous waste: Incineration ²	0.7	1.1
Non-hazardous waste: Landfill ¹	19.7	5.7
Non-hazardous waste: Other disposal operations ¹	4.4	3.6
Total amount of non-hazardous waste directed to disposal¹	24.8	10.4
Total amount of waste directed to disposal¹	36.7	24.1
Total amount of waste¹	902.4	719.4
thereof non-recycled waste ^{1,3}	161.9	134.0
thereof percentage of non-recycled waste in %	17.9	18.7
thereof radioactive waste	-	-

¹ The increase compared to the prior year is due to one-off construction and demolition measures and concerns non-production-related waste generated in operations.

² Due to an adjustment of the actual values, the value for the year 2024 was recalculated, reducing the amount of non-hazardous waste for incineration by 400 t.

³ The definition of recycling is based on the requirements of the ESRS. This includes the volumes under the category "Recycling" and the volumes under the category "Preparation for reuse".

Further information on waste (in 1,000 t) – company-specific

	2025	2024
Total amount of waste ¹	902.4	719.4
thereof in production	484.8	518.0

¹ The increase compared to the prior year is due to one-off construction and demolition measures and concerns non-production-related waste generated in operations.

Waste in production per vehicle (in kg/vehicle) – company-specific

	2025	2024
Waste Mercedes-Benz Cars		
Total amount of waste in production	358.1	367.5
thereof waste directed to disposal	1.9	2.4
Waste Mercedes-Benz Vans		
Total amount of waste in production	83.9	88.6
thereof waste directed to disposal	5.3	8.1

The Mercedes-Benz Group regularly evaluates and assesses the hazardous and non-hazardous waste it generates in the waste categories specified by the ESRS. The waste volume is recorded worldwide via an internal data management system, and is reported in aggregated form. The types of waste and the corresponding quantities are assigned to the respective categories by the locations. The quantities are mostly recorded using direct interfaces in IT data collection systems or using individual data collection tools at the locations. The determination is based on weight data, either from weighing at the sites or weighing data from the disposal companies. For a small proportion, estimates are made, particularly based on extrapolations.



EU Taxonomy

One of the important goals of the Commission Action Plan on Financing Sustainable Growth in the context of the European “Green Deal” is to divert capital flows to sustainable investments. This is also the logic behind the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investments, and amending Regulation (EU) 2019/2088 (hereinafter referred to as the “Taxonomy Regulation”) that came into force in mid-2020. This regulation governs the establishment of a standardized and legally binding classification system that defines the types of economic activities in the EU that are considered to be Taxonomy-aligned – and thus environmentally sustainable with regard to the six environmental objectives established by the regulation:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

Companies that are required to publish a Non-Financial Declaration must also comply with the Taxonomy Regulation. According to Article 8 of the Taxonomy Regulation, the Taxonomy-aligned proportions of revenue, capital expenditure and operating expenditure accounted for by environmentally sustainable economic activities are to be reported by companies on an annual basis. An economic activity is classified as Taxonomy-aligned if it is described in the delegated acts for the Taxonomy Regulation (Commission Delegated Regulation (EU) 2021/2139, (EU) 2023/2485 und (EU) 2023/2486), makes a substantial contribution to an environmental objective, does not significantly harm any other environmental objective and meets the minimum standards that are based on international frameworks.

In July 2025, the new delegated act (Delegated Regulation (EU) 2026/73) was published, which the Mercedes-Benz Group applies already for the reporting year 2025. The Mercedes-Benz Group makes use of the materiality concept introduced therein, according to which economic activities are defined as non-material if they cumulatively amount for less than 10% of the denominator of revenue, capital expenditure, or operating expenditure. The assessment of the non-materiality has to be carried out for each key figure. The Mercedes-Benz Group does not conduct a Taxonomy-eligibility and Taxonomy-alignment assessment for non-material economic activities.

Taxonomy-eligibility

Taxonomy-eligibility is assessed in an initial step. For an economic activity to be Taxonomy-eligible, that activity must be mentioned and explained in further detail in the delegated acts for the Taxonomy Regulation. The economic activities are identified by a numbering system specified in the delegated acts.

In this context, the following relevant economic activities have been identified in the environmental objective of **climate change mitigation** for the Mercedes-Benz Group.

Economic activity 3.3 covers the manufacture of low-carbon transport technologies, which includes the production of cars and vans.

Economic activity 3.3 relates to the manufacturing of all vehicles. In a Commission Notice (2022/C 385/01) published by the European Commission on 6 October 2022, the Commission stated that the term “low-carbon” only relates to the assessment of Taxonomy-alignment within the framework of the technical screening criteria and is not relevant for reporting on the Taxonomy-eligible economic activity 3.3. With regard to car manufacturers in particular and as an example, the document shows that the activity “manufacture of low-carbon vehicles” also includes vehicles with combustion engines. For the Mercedes-Benz Group, this clarification by the European Commission means that the manufacture of all Group vehicles is to be classified as Taxonomy-eligible.



Economic activity 6.5 includes leasing and financing of low-carbon cars and vans. It covers all passenger cars and vans that are initially purchased from third parties and subsequently subject to leasing and sales financing, as well as the remarketing of these vehicles.

The individual economic activities are also to be classified according to enabling activities and transitional activities. An enabling activity is an economic activity that makes a significant contribution to one or more environmental objectives by directly enabling other activities to also make a significant contribution. At the Mercedes-Benz Group, this applies to economic activity 3.3. A transitional activity, in contrast, is an economic activity for which there is no technologically and economically feasible low-carbon alternative, but which makes a substantial contribution to climate change mitigation by supporting the transition to a climate-neutral economy. This does not apply to any economic activity at the Mercedes-Benz Group, as only all-electric vehicles are taken into account in the Taxonomy-aligned scope of the economic activity 6.5.

Taxonomy-alignment

In a further step, Taxonomy-alignment must be assessed for Taxonomy-eligible economic activities. Only Taxonomy-eligible activities can be considered as environmentally sustainable activities, or as being Taxonomy-aligned, provided they meet certain technical screening criteria. Here, the fulfilment of certain technical screening criteria set out in the delegated acts (Delegated Regulations (EU) 2021/2139, (EU) 2023/2485, (EU) 2023/2486, (EU) 2025/4568, and (EU) 2026/73) with regard to the relevant economic activities must make a substantial contribution to an environmental objective defined by the Taxonomy Regulation and, on the basis of defined “do no significant harm” criteria (DNSH criteria), also exclude the possibility of significant interference with another environmental objective. It must also be ensured that minimum standards are met with regard to issues such as upholding human rights or combating corruption (“minimum safeguards”).

Fulfilment of a substantial contribution

According to the delegated acts, for economic activities 3.3 and 6.5, all vehicles below the limit value anchored in the technical screening criteria of currently 50 g CO₂/km per vehicle (according to Worldwide Harmonised Light Vehicles Test Procedure (WLTP)) make a substantial contribution to the environmental objective climate change mitigation. At the Mercedes-Benz Group, all-electric vehicles and the majority of plug-in hybrid vehicles are below this threshold. These vehicles are hereafter referred to as “low-carbon vehicles”.

Do no significant harm

For the respective economic activities, compliance with the DNSH criteria defined by the Taxonomy Regulation was analysed in relation to the other environmental objectives.

For economic activity 3.3, the fulfilment of these criteria was verified at the level of low-carbon vehicles and corresponding components as well as the relevant production sites and processes. As a result, the DNSH criteria for economic activity 3.3 were met in the reporting year.

For economic activity 6.5, the analysis of the DNSH criteria was carried out on the basis of low-carbon vehicles in the leasing and financing portfolio. In addition to the Group’s own vehicles, the vehicle portfolio also includes vehicles from other manufacturers. The latter are shown as Taxonomy-eligible but not Taxonomy-aligned, since the DNSH criteria could not be fulfilled. Discounts were taken into account in the Taxonomy-alignment of revenue and capital expenditure due to the DNSH criteria of the environmental objective pollution prevention and control for Mercedes-Benz vehicles.



The DNSH analysis of the individual environmental objectives for economic activities 3.3 and 6.5 are explained below.

Climate change adaptation

In accordance with the DNSH criteria, a comprehensive analysis of the potential physical climate risks for production sites was carried out, which can be applied to economic activities 3.3 and 6.5. Climate scenarios of the Intergovernmental Panel on Climate Change (IPCC) and various time horizons were taken into account. Based on the results, adaptation measures at selected locations were determined. Further details can be found in the chapter “Process for Materiality assessment” under [“Climate-related physical risks”](#).

Sustainable use and protection of water and marine resources

For economic activity 3.3, the requirements have been implemented mainly on the basis of established environmental management systems and the internal environmental risk assessment (environmental due diligence process). The company has established a certified environmental management system in accordance with ISO 14001 at its own production sites worldwide. In addition, selected German and two other European production sites are validated according to Eco-Management and Audit Scheme (EMAS). As part of the internal environmental risk assessment, consolidated production sites are characterized with regard to water-related aspects such as discharge into water bodies, and recommendations for risk

minimization are determined, prioritized and tracked. The Group also uses external data sources to identify locations with potential water risks and water stress. Further information can be found in the chapter “Climate change mitigation in own business activities” under [“group-wide environmental and energy management”](#) and in the chapter “water and marine resources” under [“Water risk assessment”](#).

Transition to a circular economy

For economic activity 3.3, different DNSH criteria are placed on the product and the production for the transition to a circular economy. As part of its product development, the Mercedes-Benz Group has taken the concept of the circular economy into account in product development from the outset and has set itself the overarching goal of increasing the use of secondary materials in vehicles. In addition, the DNSH criteria for economic activity 6.5 are taken into account by implementing the legal requirements for recyclability and usability for passenger car models and light commercial vehicles. In production, the Mercedes-Benz Group keeps the amount of waste as low as possible in accordance with the waste hierarchy. The aim is to continuously reduce total waste, including waste for disposal. For its own production sites worldwide, the Mercedes-Benz Group has therefore set itself reduction targets for the total amount of waste and the amount of waste for disposal per vehicle, among other things. In addition, the topic of waste management is also a component of the internal environmental risk assessment and environmental management. Further details can be

found in the chapter “Resource use and circular economy” under [“Resource conservation along the value chain”](#).

Pollution prevention and control

The DNSH criteria for economic activity 3.3 aim, among other things, to prevent the manufacture, placing on the market and use of hazardous substances.

The Mercedes-Benz Group has established appropriate processes to ensure the safe and legally compliant handling of hazardous substances in production, as well as the material composition of the products. For production, the use and handling of hazardous substances is controlled by specification, approval, and monitoring processes within the internal hazardous substances management. The use of hazardous substances is subject to, among other things, recurring substitution reviews. Wherever their use is necessary, it is permitted under controlled conditions. For the products, substance bans and declaration requirements are monitored in accordance with the Global Automotive Declarable Substance List (GADSL) in the International Material Data System (IMDS). Furthermore, the Mercedes-Benz Group sets requirements for its suppliers through the Responsible Sourcing Standards (RSS). This includes, among other things, the requirement for transparent information provision on material compositions and substitution assessments for Substances of Very High Concern (SVHCs).



The DNSH requirements listed for SVHCs go beyond the previous requirements of chemical legislation. For this reason, an additional assessment was carried out at the product level, supplementing internal processes and supplier requirements. This assessment evaluated the necessity of using SVHCs in the vehicle and related components, taking into account technical and economic aspects, among others.

For economic activity 6.5, the DNSH criteria refer to compliance with various product-related requirements laid down in EU regulations and directives. The DNSH criteria are verified in a multistage test procedure through which a proportion of Taxonomy-aligned vehicles is determined.

Following an initial step, all-electric vehicles from the relevant leasing and financing portfolio remained. Vehicle-specific analyses were conducted for these all-electric vehicles with regard to the tyre requirements. These analyses used tyre information at the time of

initial market placement, as well as a representative period, and additionally compared the service life with the respective contract duration. As a result, only those tyres that met the requirement for rolling resistance coefficient and external rolling noise after comparison with the European Product Registry for Energy Labelling (EPREL) were deemed compliant.

Compliance with the noise requirements was also checked according to the DNSH criteria. The proportion of vehicles assessed as complying with the DNSH requirements is applied worldwide to the leasing and financing portfolio of all-electric vehicles in the reporting year insofar as the corresponding data is available.

Protection and restoration of biodiversity and ecosystems

To demonstrate compliance with the requirements for economic activity 3.3, ecologically sensitive areas and protection zones in the vicinity of sites have been documented and taken into account as part of the internal environmental risk assessment (environmental due diligence process). On the other hand, environmental impact assessments or comparable assessments outside the EU are carried out when building a new site or expanding existing sites, if legally required. Furthermore, environmental management systems have been established at our own production sites. Further information can be found in the chapter “Biodiversity and ecosystems” under [“Promotion of biodiversity at the production sites”](#).

Fulfilment of minimum safeguards

An economic activity can only be classified as environmentally sustainable in the sense of the Taxonomy if it is also carried out in accordance with certain minimum standards that are based on international frameworks. Article 18 of the Taxonomy Regulation cites the OECD Guidelines for Multinational Companies, the United Nations Guiding Principles on Business and Human Rights, including the fundamental principles and rights from the eight core conventions set out in the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, and the International Charter of Human Rights. The Taxonomy Regulation itself does not further specify the standards.

With its report from October 2022 (“Final Report on Minimum Safeguards”), the “Platform on Sustainable Finance” supports companies in interpreting the range and scope of the minimum standards. This report forms the basis for application and reporting at the Mercedes-Benz Group. Central topic areas accordingly include human and employee rights, the prevention of corruption and the promotion of fair competition. More detailed information on these topics can be found in the chapters [“Workers in the value chain”](#), [“Affected communities”](#), [“Own workforce”](#), [“Prevention of corruption and bribery”](#) and [“Antitrust Compliance”](#).



The Mercedes-Benz Group aims to fulfil its global tax obligations and to use public funding responsibly. In doing so, the company also wants to fulfil its social and ethical responsibilities.

The Group's tax strategy follows the following principles in particular:

- Through qualified and experienced experts and the most efficient and reliable processes, systems, methods and controls possible, the Mercedes-Benz Group aims to ensure that the tax obligations of the Group companies are fulfilled and integrity standards are maintained.
- In accordance with the principle of being a "good corporate tax citizen" (i.e. as a company, fulfilling its responsibility as a taxpayer), the Mercedes-Benz Group pursues legal, active and non-aggressive tax planning based on operational reasons ("tax follows business"). In addition, the Mercedes-Benz Group strives to make its cooperation with the tax authorities even more cooperative, transparent and constructive. In doing so, it protects its legal positions and represents its interests where it considers this to be appropriate and legitimate.

With the aim of ensuring tax compliance across the Group, the Mercedes-Benz Group established a Tax Compliance Management System (Tax CMS). The Tax CMS is a separate sub-area of the Group's internal Compliance Management System. A component of the Tax CMS is active, consistent tax risk management across the Group. Its task is to monitor and control whether tax obligations are being met and to support those responsible in this. It also serves to identify and reduce tax risks in the Group and any associated personal risks for the employees involved. It includes numerous actions – for example, ongoing monitoring of tax risks and their integration into the internal control system and the group-wide risk management process in accordance with the risk management policy.

Reporting on the Taxonomy-aligned proportions of environmentally sustainable economic activities

The sections below present information on the proportion of revenue, capital expenditure and operating expenditure accounted for by environmentally sustainable economic activities at the Mercedes-Benz Group.

The individual figures for revenue, capital expenditure and operating expenditure are precisely allocated to a specific economic activity and environmental objective. This avoids double counting.

The calculation of the relevant key figures is based on the Consolidated Financial Statements in accordance with IFRS. The Total Revenue and Total Capital Expenditure correspond to the values of the Consolidated Financial Statements audited with reasonable assurance.

Proportion of revenue, capital expenditure and operating expenditure from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities (summary of KPIs)

KPI	2025													2024	
	Total	Proportion of Taxonomy-eligible activities	Taxonomy-aligned activities	Proportion of Taxonomy-aligned activities	Breakdown by environmental objectives of Taxonomy-aligned activities						Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy-aligned activities ¹	Proportion of Taxonomy-aligned activities ¹
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity					
	in millions of euros	in %	in millions of euros	in %	in %	in %	in %	in %	in %	in %	in %	in %	in %	in %	in %
Revenue	132,214	94.1%	18,838	14.2%	14.2%	—%	—%	—%	—%	—%	13.6%	—%	4.9%	18,729	12.9%
CapEx	25,115	99.4%	7,381	29.4%	29.4%	—%	—%	—%	—%	—%	25.4%	—%	0.6%	7,116	30.1%
OpEx	6,931	100.0%	2,274	32.8%	32.8%	—%	—%	—%	—%	—%	32.8%	—%	—%	2,365	35.7%

¹ In the 2024 financial year, Taxonomy-aligned activities included also economic activities 3.18 and 6.15, which were considered as non-material in the 2025 financial year.

Proportion of revenue from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities (activity breakdown) – 2025

Economic activities	Code ¹	Taxonomy-eligible revenue (Proportion of Taxonomy-eligible revenue)	Taxonomy-aligned revenue	Taxonomy-aligned revenue (Proportion of Taxonomy-aligned revenue)	Environmental objective of Taxonomy-aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
		in %	in millions of euros	in %	in %	in %	in %	in %	in %	in %	E/in %	T/in %	in %
Manufacture of low-carbon technologies for transport	CCM 3.3	79.1%	18,038	13.6%	13.6%	—%	—%	—%	—%	—%	E		17.2%
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	15.0%	800	0.6%	0.6%	—%	—%	—%	—%	—%			4.0%
Sum of alignment per objective					14.2%	—%	—%	—%	—%	—%			
Total revenue		94.1%	18,838	14.2%	14.2%	—%	—%	—%	—%	—%	13.6%	—%	15.1%

¹ The Code constitutes the abbreviation of the relevant environmental objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective. CCM (Climate change mitigation).

Taxonomy-eligibility of revenue

For the proportion of Taxonomy-eligible revenue, the Taxonomy-eligible revenue is considered in relation to the total revenue of the Group. In this process, the denominator takes into account the consolidated revenue generated by Group companies that are to be included in the calculations. The revenue, as disclosed in the Consolidated Statement of Income, amounted to €132,214 million in the reporting year (2024: €145,594 million). Information on revenue can be found in “Note 4” in the Notes to the Consolidated Financial Statements.

The numerator was calculated by examining this consolidated revenue to determine whether it was generated in connection with the manufacturing and the leasing, or the financing of vehicles. This applied to the majority of the revenue generated.

The remaining share of revenue of the reporting year was attributable to Taxonomy non-eligible economic activities (1.0%) and non-material economic activities (4.9%). The revenue related to non-material economic activities resulted from the manufacturing of components, leasing and financing of commercial vehicles, operation of high-power charging stations and sale of used vehicles purchased from third parties by the Mercedes-Benz Group. As the revenue of these sectors was less than 10% of total revenue and none of them constituted a main economic activity for the Mercedes-Benz Group within the meaning of the EU Taxonomy, they were classified as non-material.

In the prior year, this revenue was reported separately under the economic activities 3.18 manufacture of automotive and mobility components, 6.6 freight transport services by road, 6.15 infrastructure enabling low-carbon road transport and public transport, and 5.4 sale of second-hand goods.

Taxonomy-alignment of revenue

In order to calculate the Taxonomy-aligned proportion of economic activities 3.3 and 6.5, revenue was examined to determine whether it was generated with low-carbon vehicles in order to assess whether a substantial contribution had been made to climate change mitigation. Compliance with the DNSH and minimum safeguards criteria was also monitored.

For the major proportion of the revenue, in particular from the new and used vehicle business and leasing and sales financing activities, a direct attribution was made of the revenue accounted for by low-carbon vehicles. With regard to other revenue components,

especially revenue from the spare parts business and service and maintenance contracts, or attribution of discounts granted for large procurement volumes, it is not possible to directly assign revenue to low-carbon vehicles. In these cases, suitable allocations were therefore used for the various revenue components. These classifications are based on current revenues and current or historical vehicle sales data for the fleet that is currently on the market.

The proportion of Taxonomy-eligible and not Taxonomy-aligned revenue was 79.9% in the financial year. The proportion of Taxonomy-aligned revenue increased slightly from 12.9% to 14.2% in the reporting year. Compared to the previous year, taxonomy-aligned revenue fell by less than total sales revenue in percentage terms. The reason for this is that at Mercedes-Benz Cars, unit sales of electrified vehicles in 2025 remained at the previous year's level. Furthermore, sales of electrified vans increased worldwide.

Breakdown of revenue

			2025		2024	
	Taxonomy-aligned revenue	Total revenue	Proportion of Taxonomy-aligned revenue	Taxonomy-aligned revenue	Total revenue	Proportion of Taxonomy-aligned revenue
	in millions of euros	in millions of euros	in %	in millions of euros	in millions of euros	in %
Revenue according IFRS 15	17,521	115,033	15.2%	17,740	128,477	13.8%
Other revenue	1,317	17,181	7.7%	989	17,117	5.8%
Total	18,838	132,214	14.2%	18,729	145,594	12.9%

Proportion of capital expenditure from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities (activity breakdown) – 2025

Economic activities	Code ¹	Taxonomy-eligible capital expenditure (Proportion of Taxonomy-eligible capital expenditure)	Taxonomy-aligned capital expenditure (Proportion of Taxonomy-aligned capital expenditure)	Taxonomy-aligned capital expenditure (Proportion of Taxonomy-aligned capital expenditure)	Environmental objective of Taxonomy-aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
		in %	in millions of euros	in %	in %	in %	in %	in %	in %	in %	E/in %	T/in %	in %
Manufacture of low-carbon technologies for transport	CCM 3.3	40.6%	6,386	25.4%	25.4%	—%	—%	—%	—%	—%	E		62.6%
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	58.8%	995	4.0%	4.0%	—%	—%	—%	—%	—%			6.7%
Sum of alignment per objective					29.4%	—%	—%	—%	—%	—%			
Total capital expenditure		99.4%	7,381	29.4%	29.4%	—%	—%	—%	—%	—%	25.4%	—%	29.6%

¹ The Code constitutes the abbreviation of the relevant environmental objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective. CCM (Climate change mitigation).

**Taxonomy-eligibility of capital expenditure**

For the proportion of Taxonomy-eligible capital expenditure, the Taxonomy-eligible capital expenditure is considered in relation to the total relevant capital expenditure of the Group.

All additions to intangible assets, property, plant and equipment and right-of-use assets as defined in IFRS 16 in accordance with the statements of changes in non-current assets as well as additions to equipment on operating leases, including the additions to the named assets as part of company acquisitions are taken into account in the denominator. Equipment on operating leases only takes into account vehicles acquired by dealers from outside the Group. Goodwill acquired is not taken into account here. If a divestment is planned, capital expenditure on non-current assets is only taken into account until the point in time at which it was first classified as held for sale in accordance with IFRS 5. The relevant additions to the assets to be taken into account amounted to €25,115 million in the reporting year (2024: €23,620 million). Further information is available in “Notes 10, 11 and 12” in the Notes to the Consolidated Financial Statements.

According to the Commission Notice (2022/C 385/01) that the European Commission published on 6 October 2022, the definition of an economic activity is characterised by the achievement of revenues by

products. In line with the Mercedes-Benz Group’s business model, the numerator was therefore determined by examining whether capital expenditure is made in connection with the manufacturing, the leasing and the financing of vehicles. This applied to the majority part of the capital expenditure, which was exclusively reported under the environmental objective climate change mitigation.

The remaining share of capital expenditure in the reporting year was attributable to non-material economic activities and amounted to 0.6%. The capital expenditure related to non-material economic activities resulted from the expansion of the company-owned charging infrastructure by means of high-power charging stations. As the capital expenditure of this sector was less than 10% of the Group's total capital expenditure and did not constitute a principal economic activity for the Mercedes-Benz Group within the meaning of the EU Taxonomy, it was classified as non-material. In the prior year, this capital expenditure was reported separately under economic activity 6.15 infrastructure enabling low-carbon transport and public transport.

Taxonomy-alignment of capital expenditure

To calculate the Taxonomy-aligned proportion of economic activities, capital expenditure was examined to determine whether it was associated with low-carbon vehicles (economic activities 3.3 and 6.5) in order to assess whether a substantial contribution had been made to climate change mitigation. The table “Breakdown of capital expenditure” shows the Taxonomy-aligned capital expenditure, aggregated across all economic activities. Compliance with the DNSH and minimum safeguards criteria was also monitored.

All of the capital expenditure of the Mercedes-Benz Group during the reporting year included in the numerator relates to assets or processes in the context of already existing technologies which are connected to already existing Taxonomy-aligned economic activities 3.3 and 6.5. For most of the capital expenditure relating to the industrial business, a direct attribution was made to all-electric vehicle projects. In the case of capital expenditure in low-carbon plug-in hybrids and assets that are used to produce both vehicles with combustion engines and low-carbon vehicles, suitable allocations based on planned vehicle sales figures for the respective model series or vehicle platforms were used. Capital expenditure that is not directly related to the manufacturing process was allocated on the basis of the planned unit sales figures for low-carbon vehicles. Since low-carbon plug-in hybrids will only



meet the requirement for a substantial contribution in 2025, these were only considered in the allocations using the sales figures of the current reporting year. With regard to financial services, it is possible to match the additions to equipment on operating leases directly to low-carbon vehicles.

The proportion of Taxonomy-eligible and not Taxonomy-aligned capital expenditure was 70.0% in the financial year. The proportion of Taxonomy-aligned capital expenditure remained at 29.4% almost unchanged compared to the prior year (2024: 30.1%). Due to the inclusion of additions to equipment on operating leases, the proportion only partially reflects our investments in sustainable products.

The proportion of Taxonomy-aligned capital expenditure on intangible assets (mainly in capitalized development costs) decreased slightly from 68.5% in the prior year to 66.9%. The decreased capitalization due to the market launch of the CLA in the first quarter of 2025 that is based on the new flexible drive architecture (MMA) exceeded the higher capitalization related to the MB.EA vehicle architectures.

The proportion of Taxonomy-aligned capital expenditure on property, plant and equipment remain at 62.9% almost unchanged compared to prior year (2024: 63.6%), as Taxonomy-aligned capital expenditure on property, plant and equipment increased by almost the same amount as the total investment in property, plant and equipment. The increase in Taxonomy-aligned property, plant and equipment is essentially attributable to the introduction of derivatives of the new drive-flexible (MMA) and electric (MB.EA) architectures as well as the expansion of the vans plants.

Breakdown of capital expenditure

	2025			2024		
	Taxonomy-aligned capital expenditure in millions of euros	Total capital expenditure in millions of euros	Proportion of Taxonomy-aligned capital expenditure in %	Taxonomy-aligned capital expenditure in millions of euros	Total capital expenditure in millions of euros	Proportion of Taxonomy-aligned capital expenditure in %
Intangible assets	2,851	4,260	66.9%	3,170	4,626	68.5%
thereof capitalized development costs	2,707	3,625	74.7%	3,084	4,137	74.5%
Property, plant and equipment	3,447	5,482	62.9%	2,570	4,039	63.6%
Right-of-use assets	110	613	17.9%	105	456	23.0%
Equipment on operating leases	973	14,760	6.6%	1,271	14,499	8.8%
Total	7,381	25,115	29.4%	7,116	23,620	30.1%

Proportion of operating expenditure from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities (activity breakdown) – 2025

Economic activities	Code ¹	Taxonomy-eligible operating expenditure (Proportion of Taxonomy-eligible operating expenditure)	Taxonomy-aligned operating expenditure	Taxonomy-aligned operating expenditure (Proportion of Taxonomy-aligned operating expenditure)	Environmental objective of Taxonomy-aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
		in %	in millions of euros	in %	in %	in %	in %	in %	in %	in %	E/in %	T/in %	in %
Manufacture of low-carbon technologies for transport	CCM 3.3	100.0%	2,274	32.8%	32.8%	—%	—%	—%	—%	—%	E		32.8%
Sum of alignment per objective					32.8%	—%	—%	—%	—%	—%			
Total operating expenditure		100.0%	2,274	32.8%	32.8%	—%	—%	—%	—%	—%	32.8%	—%	32.8%

¹ The Code constitutes the abbreviation of the relevant environmental objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective. CCM (Climate change mitigation).



Taxonomy-eligibility of operating expenditure

For the proportion of Taxonomy-eligible operating expenditure, the Taxonomy-eligible operating expenditure is compared to the relevant operating expenditure of the Group.

The operating expenditure to be taken into account in the denominator represents a metric determined exclusively in the context of Taxonomy reporting, as it is a component of the individual functional costs. Operating expenditure includes research and non-capitalized development costs and other operating expenditure. These items include costs from short-term leasing contracts and expenditure from building renovation measures as well as certain maintenance and repair measures (essentially labour and material costs as well as purchased services) relating to property, plant and equipment according to the delegated act (EU) 2021/2178.

In line with the approach used for investments, when determining the numerator, the relevant operating expenditure was examined to establish whether it was related to the manufacture of vehicles. This applies to the operating expenditure described.

Taxonomy-alignment of operating expenditure

In order to calculate the Taxonomy-aligned proportion of economic activities, operating expenditure was examined to determine the extent to which it was associated with low-carbon vehicles to assess whether a substantial contribution had been made to climate change mitigation. Compliance with the DNSH and minimum safeguards criteria was also monitored.

The research and non-capitalized development costs can mostly be directly incorporated into the calculation of the numerator on the basis of their allocation to all-electric vehicle projects. For research and non-capitalized development costs that cannot be directly allocated (model series or vehicle architectures that include both plug-in hybrids and pure combustion vehicles), suitable allocations were made based on expected future unit sales figures for the low-carbon portion of the model series or vehicle architecture.

Since low-carbon plug-in hybrids will only meet the requirement for a substantial contribution in 2025, these were only considered in the allocations using the sales figures of the current reporting year. For the other components of the relevant operating expenditure, no direct allocation to low-carbon vehicles could be made either. The inclusion in the numerator was based on suitable allocations of current production volumes. The proportion of Taxonomy-eligible and not Taxonomy-aligned operating expenditure was 67.2% in the financial year. The proportion of Taxonomy-aligned operating expenditure decreased from 35.7% in the prior year to 32.8%. The Taxonomy-aligned research and non-capitalized development costs increased less sharply in percentage terms compared to the prior year than total research and non-capitalized development costs. Their increase is mainly due to expenses from the optimization programme “Next Level Performance” launched in April.

Breakdown of operating expenditure

	2025			2024		
	Taxonomy-aligned operating expenditure	Total operating expenditure	Proportion of Taxonomy-aligned operating expenditure	Taxonomy-aligned operating expenditure	Total operating expenditure	Proportion of Taxonomy-aligned operating expenditure
	in millions of euros	in millions of euros	in %	in millions of euros	in millions of euros	in %
Research and non-capitalized development costs	2,108	6,055	34.8%	2,154	5,580	38.6%
Other operating expenditure	166	876	18.9%	211	1,048	20.1%
Total	2,274	6,931	32.8%	2,365	6,628	35.7%



Social information

Own Workforce

Material impacts, risks and opportunities and their interaction with strategy and business model

In the changing world of work, the Group is not only relying on modern business models and technologies, but also on a committed workforce that is willing to learn and adapt to change.

The working world of employees is undergoing fundamental changes with electrification, digitalization and the use of artificial intelligence (AI) systems.

With the “Sustainable People Plan”, the Mercedes-Benz Group’s personnel strategy, the group focuses on continuous professional and personal development, flexible working conditions, and a trusting, diverse, and inclusive culture of collaboration. A safe and healthy working environment through holistic occupational health and safety management for all employees forms the foundation. The Mercedes-Benz Group also promotes diversity and equal opportunities among its employees and is committed to respect, openness, appreciation and fairness.

The Mercedes-Benz Group takes responsibility for its employees and is committed to respecting human rights.

The strategic sustainability focus areas “People” and “Human Rights” address the presented key areas. Detailed Information on this can be found in the “General information” under “[Strategy, Business model and value chain](#)”.

The material topics, impacts, risks and opportunities as well as information on the resilience analysis are disclosed in the “General information” under “[Material topics, impacts, risks and opportunities](#)”.

Cross-cutting policies

Social Responsibility and Human Rights

The rights and obligations of employees, as well as the central approach to respecting human rights, are formulated, among other things, in the Mercedes-Benz Group’s Principles of Social Responsibility and Human Rights. This declaration was updated during the reporting year.

Information on the principles and their organizational anchoring can be found in the chapter “Workers in the value chain” under “[Policies](#)”.

The Social Compliance Management System, which addresses workers rights systematically and on a risk-based basis, among other things, is described in the “Governance information” in the section “Compliance with laws and regulations” under “[Social Compliance](#)”.

Personnel strategy

The HR department of the Mercedes-Benz Group acts as a partner for the Group’s own business units. Human Relations (HR) is represented as a separate division on the Board of Management of Mercedes-Benz Group AG. Within the division there is a decision-making and committee structure at different management levels. The highest decision-making body for coordination and control as well as the highest level of responsibility is the HR Executive Committee. Among other things, the personnel strategy is approved there.

The HR department monitors strategically relevant trends and developments such as electrification, sustainability, digitalization and artificial intelligence. Based on this, existing policies and actions are continuously reviewed and adjusted.

With the personnel strategy, the HR department is actively shaping the Group’s change, empowering and supporting the organization. The personnel strategy consists of three pillars:

- With “Re-Shape”, the Group is shaping the future-oriented positioning of its workforce, tailored to the requirements of electromobility and digitalization.



- “Re-Skill” is intended to ensure that employees are equipped with the necessary know-how for future activities and tasks.
- With “Re-Charge”, the Mercedes-Benz Group is creating modern and flexible working conditions and the prerequisites for an inclusive and trusting corporate culture.

The Mercedes-Benz Group defines its corporate culture through its People Principles. These principles are firmly anchored in the personnel strategy. For example, they outline how communication, leadership, and collaboration should be conducted. Further information is explained in the “Governance information” under “Corporate culture”.

The overarching principles applied to the strategic targets of the Mercedes-Benz Group can be found in the “General Information” under “Basis of preparation of the sustainability reporting”.

Characteristics of the Mercedes-Benz Group’s Employees

The key figures in this chapter consider the active workforce including holiday workers, in the fully consolidated companies as of 31 December 2025. Trainees, thesis writers, interns, working students, PhD students and senior experts are not included. Deviating or specific reporting is explained in the footnotes of individual tables.

Number of employees (headcount) by region and country¹

	At 31 December	
	2025	2024
Europe	130,061	137,610
thereof Germany	107,889	114,741
North America	12,738	13,321
Asia	17,578	18,740
Other markets	3,743	5,593
Total number of employees ²	164,120	175,264

¹ For countries in which the Mercedes-Benz Group has 50 or more employees, representing at least 10% of the total number of employees.

² Data has been audited with reasonable assurance.

Number of employees (headcount) by gender¹

	At 31 December	
	2025	2024
Female	39,240	41,605
Male	124,880	133,659
Total number of employees ²	164,120	175,264

¹ In the current Sustainability Statement, the gender identity of employees is shown in the categories female and male due to the current data collection systems. Mercedes-Benz Group AG is working on expanding its systems in order to take additional gender identities into account in the reports in the future. The HR department is available to all employees for individual concerns and questions regarding gender identities.

² Data has been audited with reasonable assurance.



Number of employees (headcount) by type of contract	At 31 December	
	2025	2024
Number of employees^{1,2}	164,120	175,264
Female	39,240	41,605
Male	124,880	133,659
Number of full-time employees	152,528	163,132
Female	31,615	33,538
Male	120,913	129,594
Number of part-time employees	11,592	12,132
Female	7,624	8,067
Male	3,968	4,065
Number of permanent employees³	160,334	169,476
Female	38,273	40,045
Male	122,061	129,431
Number of temporary employees	3,786	5,788
Female	967	1,560
Male	2,819	4,228
Number of non-guaranteed hours employees^{4,5}	650	600
Female	203	196
Male	447	404

1 Data has been audited with reasonable assurance.

2 Active workforce on an annual average basis based on quarters: 169,240 employees (2024: 179,291). Further information is available in the Notes to the Consolidated Financial Statements in the note "Functional costs".

3 Permanent employees are part of the active workforce with a permanent contract and correspond to the core workforce.

4 Non-guaranteed hours employees on an annual average basis based on quarters: 602 (2024: 580).

5 Non-guaranteed hours employees are part of temporary employees who were flexibly deployed throughout the year, mainly at the Mercedes-Benz AG locations. The work contracts are made after mutual agreement and in the interest of both parties. These are not on-call employees.

Turnover ^{1,2}		
	2025	2024
Employees who have left the Group (headcount)	22,663	22,601
Turnover (in %)	13.4	12.9

1 Active workforce who have left the Mercedes-Benz Group voluntarily or due to dismissal, retirement or death.

2 Starting with the reporting year 2025, the calculation is based on the annual average of the active workforce (quarterly), instead of the reporting date of 31 December 2025, in order to improve industry comparability. Even when applying the new calculation methodology, the value for 2024 remains unchanged at 12.9%.

The core workforce (employees with a permanent contract) is used as a parameter for calculating company-specific turnover. In contrast to the active workforce (according to the ESRS), temporary employees and holiday workers are not taken into account due to their time-limited activities.

Turnover - company-specific ^{1,2}		
	2025	2024
Employees who have left the Group (headcount)	13,391	11,006
Turnover (in %)	8.2	6.3

1 Permanent employees (core workforce with permanent contracts) who have left the Mercedes-Benz Group voluntarily or due to dismissal, retirement or death.

2 Starting with the reporting year 2025, the calculation is based on the annual average of the core workforce (quarterly), instead of the reporting date of 31 December 2025, in order to improve industry comparability. Using the calculation method applied in the prior year, the fluctuation rate for 2024 amounted to 6.5 %.

Working conditions

Responsible transformation

Policies

The pillar "Re-Shape" of the personnel strategy emphasizes the Group's responsibility to align its workforce with future requirements. In terms of a "just transition", the Mercedes-Benz Group places particular emphasis on a socially responsible and fair transformation that takes into account the varying impacts at its global locations.

The Group is reviewing the effectiveness of policies and actions for shaping change, based on the results of employee surveys and other feedback instruments.

Actions

Various transformation actions are intended to strengthen the competitiveness of the sites, prepare employees as effectively as possible for the changes in the automotive industry and safeguard their employability. Site-specific transformation plans have been developed, particularly in production but also in sales. These plans have resulted in, among other things, qualification and retraining programmes, as well as opportunities for employees to relocate. Furthermore, accompanying initiatives, such as management training and various communication actions, were implemented.



As part of its strategic realignment, the Mercedes-Benz Group decided to make its own retail structures more future-proof. The ambition is to secure the long-term existence and competitiveness of the Own Retail operations and to offer employees good future prospects. The Company has therefore decided to sell the Own Retail operations sales network in Germany. This will be done in an open-ended, phased and individualized manner for each Own Retail operation. Criteria for selecting a buyer based on the principle of best ownership, a participation process for the employee representatives and socially responsible solutions for the transfer of employees have been agreed upon. Cooperation with works councils and trade unions played a central role in this process. The corresponding business transfers will be designed taking into account the interests of the employees.

To strengthen competitiveness, reduce costs and secure the Company's long-term success, the Mercedes-Benz Group launched the strategic initiative "Next Level Performance (NLP)" at the end of 2024.

Part of the transformation programme is the work package "Winning Attitude", with which the Mercedes-Benz Group is further developing the way of collaboration within the Group. This is not an abstract cultural programme, but a change process with concrete actions that focuses on strengthening a winning mentality and cohesion.

The Mercedes-Benz Group places great emphasis on socially responsible and fair solutions as well as a collaborative partnership with all stakeholders, when implementing the transformation actions. Changes should be shaped by mutual agreement. Transparent and proactive communication is used to provide early information about changes and to address any concerns. The Mercedes-Benz Group relies on a constructive dialogue with employee representatives to, among other things, consider the interests of the employees and develop sustainable solutions together.

Specific actions include, for example, individual support and advice in addition to offers of redundancy payments in the indirect sector in Germany, subject to the principle of double voluntary action. This means that both sides – employees and the company – must agree to leave the company.

The "Job Compass", launched in 2025, is intended to support employees of the Mercedes-Benz Group AG, the Mercedes-Benz AG and the Mercedes-Benz Intellectual Property GmbH & Co. KG, whose tasks are omitted or outsourced, in their career reorientation. The programme is designed to provide employees with rapid and skill-based support with numerous advisory services and to place them in new employment.

In addition, the Mercedes-Benz Group is involved in the network "Allianz der Chancen" in Germany, an intersectoral alliance of companies that is actively shaping the transformation of the world of work.

The aim is to enable employees, through initiatives, to take new career paths between companies.

A works agreement defines processes for employees of the Mercedes-Benz Group AG, the Mercedes-Benz AG, and the Mercedes-Benz Intellectual Property GmbH & Co. KG to overcome the challenges of the transformation. This includes, among other things, job security which was extended in the reporting year until the end of 2034. This agreement generally excludes terminations due to operational reasons until 31 December 2034.

Training and further qualification

Policies

The qualification of employees is a central element of the sustainable personnel strategy of the Mercedes-Benz Group. With its strategic initiative "Turn2Learn", the Group offers a comprehensive qualification programme for re-skilling and up-skilling worldwide. This programme is managed by the board member responsible for Human Relations as well as the central department for personnel development and training. This takes place, among other things, in close coordination with the departments and the works council.

General works agreements on training and the integration of external learning platforms ensure the standardization and efficiency of processes. The programmes are continuously adjusted to new technological, regulatory, and societal requirements.



Targets

The Group pursues the following target in the subject area of training and further qualification:

Target	Target horizon	Status
Enable more than 70% of employees to work successfully in the digital transformation ¹ .	2030	According to plan

¹ The status is measured based on the evaluation of the following statement in the employee survey: "My immediate work environment helps me to broaden my skill set for digital transformation". The approval rate was 61% in 2025.

Actions

In the reporting year 2025, the Mercedes-Benz Group further developed its qualification actions and offered a comprehensive qualification programme. This programme is tailor-made to achieve strategic targets and is available to employees worldwide. It enables self-determined and flexible professional development through individually selectable content and formats. The offering includes training courses, learning platforms, complete learning paths and academic degrees alongside work. To ensure equal participation for all employees, care is taken when providing services, to ensure they are barrier-free and therefore accessible to all.

The main topics in 2025 were digitalization and future skills such as artificial intelligence, big data, scaled agile, automation and electromobility.

The responsible use of new technologies, adherence to compliance guidelines, and ethical behaviour are firmly established in the qualification portfolio. These topics

are, among other things, an integral part of learning paths and contribute to promoting responsible business practices and supporting the sustainable transformation of the Group.

A best-practice example is the "GenAI Learning Journey 2.0" ("AI'm ready"): This digital learning journey for all employees worldwide focuses on dealing with artificial intelligence and the use of AI tools.

In the reporting year, an additional learning format was introduced for production employees, which enables flexible on-site learning through short digital units. It was piloted in Germany and subsequently rolled out worldwide.

Qualification actions are continuously validated and developed. A standardized evaluation of feedback supports quality assurance of qualifications. Furthermore, qualitative data and results from the employee survey are systematically collected and incorporated into the further development of the programmes.

Managers are provided with learning data via a dashboard to strategically manage the qualification of their teams and to optimize and individually tailor employee learning plans.

The communication of the qualification opportunities is continuous and target-group-specific in order to effectively reach managers, administrative staff, production employees and other specific role profiles.

Both vocational training and dual study programmes are highly valued within the Group for attracting young talents.

Remuneration and benefits

Policies

The Mercedes-Benz Group remunerates work performed in all companies worldwide according to the same principles. The global Corporate Compensation Policy applies to all employee groups and establishes corresponding framework conditions. It stipulates, for example, that the level of remuneration is based on the requirement of the assigned work task. This includes factors such as performance, knowledge and skills, as well as responsibility and decision-making scope of the individual. Local market conditions and benchmark data are also considered when determining the remuneration. Personal characteristics of the employees are not considered.



The effectiveness of policies and actions is monitored through regular evaluations, benchmark analyses and annual salary reviews.

This is intended to ensure that the employees' remuneration and additional benefits are aligned with market and industry benchmarks.

Actions

The Group places great importance on attractive and transparent compensation systems that strive for uniform framework conditions worldwide while also taking local conditions into account. The Mercedes-Benz Group offers various voluntary benefits worldwide, such as company retirement benefits and profit-sharing schemes. Additional benefits such as preventive care, insurances, health management, perks and public transportation tickets may vary depending on the company and local specifications.

Salary differences are generally possible and can be explained based on target criteria. For example, professional experience and the length of time spent in a pay group or at a management level influence the amount of individual remuneration.

Metrics

Pay gap and total remuneration	2025	2024
Gap in pay between female and male employees (in %)	3.9	4.8
Ratio between the highest paid individual and the median annual total remuneration for all employees (x:1)	135	175

The pay gap between female and male employees is calculated as a group-wide unadjusted gender pay gap. This means the difference between the average gross hourly earnings of female and male employees is calculated, expressed as a percentage of the average gross hourly earnings of male employees. No differentiations were made based on region, country, or comparability of the work.

In addition to the monthly salary, the average gross hourly earnings include all other monetary benefits and benefits in kind.¹

To calculate the ratio of the annual total remuneration of the highest-paid individual to the median of the annual total remuneration of all employees, the annual total remuneration takes into account not only the monthly salary but also all other monetary benefits and benefits in kind¹.

All employees receive adequate wages in accordance with applicable reference values.

The analysis of adequate wages checks whether the basic wage of employees corresponds to an adequate wage in comparison with officially valid benchmarks (such as national minimum wages and other comparable international reference values). The basic salary consists of the basic wage (excluding variable remuneration components such as overtime, incentive payments and allowances unless they are guaranteed) and all fixed guaranteed additional payments.

Flexible working models

Policies

The Mercedes-Benz Group offers its employees flexible working conditions. To this end, various Group- and general works agreements were implemented. Examples include mobile working in Germany and abroad, flexitime, part-time work, job sharing, childcare, and sabbatical.

The Group is regularly reviewing the effectiveness of policies and actions for flexible working models, using, among other things, the employee surveys, as well as other feedback tools.

¹ Monetary benefits include, for example, cash allowances, bonuses, commissions, cash profit-sharing, and other forms of variable cash payments. Benefits in kind include, for example, company cars, company retirement benefits, or accident insurance.



Actions

At the Mercedes-Benz Group, it shall be generally ensured, based on the respective local legal requirements that among other things work breaks, appropriate limitation on working hours and regular, paid vacation are guaranteed. Furthermore, the Mercedes-Benz Group is taking a number of actions to design flexible working conditions for employees. To this end, the Mercedes-Benz Group is continuously developing its working models and is also focusing on hybrid forms of work, provided the work task allows it. Employees of Mercedes-Benz Group AG, Mercedes-Benz AG, and participating subsidiaries in Germany can also work from various European countries for up to 20 working days per year for personal reasons. In-person, on-site interaction remains the preferred way of collaborating.

Through offers such as part-time work, job sharing or time off for a sabbatical, studies, training or further education, the Group ensures that working hours can be adjusted to meet individual needs.

In addition to flexible working models, company childcare is another important factor in attractive working conditions. Employees in Germany have access to childcare places in company day-care centres as well as in external facilities.

Occupational health and safety

Policies

The Mercedes-Benz Group attaches great importance to occupational health and the prevention of accidents at work. Internal programmes, policies and specifications serve as overarching, internationally valid company regulations. They are guided by international standards and national laws and emphasize the obligation of managers to act responsibly. At the same time, however, they also underscore the personal responsibility of employees.

The international Group policy on occupational health and safety describes binding tasks, duties, necessary internal committees and communication guidelines. It is based on the contents of the ISO 45001 standard and applies to all employees and temporary workers whose work or workplace is controlled by the Mercedes-Benz Group.

In addition, there are company agreements on mental health and preventive examinations.

Targets

The Mercedes-Benz Group AG has set itself the following target:

Target	Target horizon	Status
Certification of the OH&S management system (occupational health and safety) according to ISO 45001 at all (100%) German production sites and logistics centres.	2027	According to plan

Actions

In order to minimize health risks and prevent occupational accidents and injuries to employees, the Group has implemented comprehensive actions in the area of occupational health and safety.

The Group carries out, among other things, regular site evaluations at all production sites. These cover the topics of safety and accident management, fire and explosion hazards, environmental conditions and the use of potentially dangerous machines. The Group uses the Safety Due Diligence method to identify potential hazards at an early stage and take appropriate actions.

Through the ergonomic design of workplaces, the Mercedes-Benz Group contributes to health promotion and prevention. In 2025 an ergonomics dashboard was introduced to provide managers with an overview of potential physical hazards in the workplace.



In addition, the Mercedes-Benz Group uses a standardized, IT-supported workplace risk assessment.

Based on risk assessments and legal requirements, preventive and suitability examinations are carried out. This is intended to maintain health and to deploy employees according to their abilities.

An important action is the provision and safeguarding of emergency medical care, as well as compliance with valid occupational health standards worldwide.

The Mercedes-Benz Group offers its employees in Germany occupational health services that go beyond the legal requirements. These include company doctor consultations, a preventive health check, occupational health advice and precautions, as well as innovative offers for workplace health promotion. These include, in particular, the topics of nutrition, exercise and stress management. In addition, the social counselling offers psychosocial support.

At the foreign locations of the Mercedes-Benz Group, occupational medicine and workplace health promotion services are also provided, the scope of which is based on the respective legal framework and local conditions.

The Group is raising awareness among its employees to create a “safety-first culture” and permanently reduce the number of workplace accidents. In 2025, the “We work SAFELY!” initiative was continued, including the use of video clips to initiate discussions on occupational safety and personal conduct. As part of the initiative, SAFE workshops were opened at further locations during the reporting year, in which occupational safety can be experienced in an interactive way. In addition, a guide for managers was written and a web-based training course was developed, which explains the tools and routines for assessing hazards.

During the year, the production sites Stuttgart and Kamenz achieved a certification of their occupational health and safety management systems according to ISO 45001 standard.

To gather feedback on the effectiveness of the actions, the group-wide employee survey was expanded for the first time in 2025 to include a question about occupational safety awareness in employees’ own work environments. The question was answered with a very high level of agreement.

Regular – mostly mandatory – qualifications and awareness-raising actions cover a wide range of topics, including handling of hazardous substances, understanding of systems and processes, and available support services.

Effective reporting helps the Mercedes-Benz Group to achieve its health and safety targets. Therefore all locations must report accidents and accident metrics to the corporate Health & Safety department. The corresponding system was expanded in 2025 to include the recording of near misses. The Group thus has a documentation system for accidents and near misses at its disposal, from which standardized key figures can be derived in compliance with applicable data protection regulations. The Mercedes-Benz Group AG uses these metrics to prepare reports with the group-wide accident key figures. Every reported incident is analysed, to explain its cause and initiate preventive actions.

Metrics

Share of employees covered by the occupational health and safety management system¹ (in %)

	2025	2024
Share of covered employees	100	100

¹ Based on legal requirement and in accordance with ISO 45001.

Recordable work-related accidents¹

	2025	2024
Number of recordable work-related accidents	815	989
Rate of recordable work-related accidents ²	2.8	3.2

¹ Number of all reportable occupational accidents according to local legislation (excluding commuting accidents).

² Per 1 million hours of attendance.

**Number of fatalities as a result of work-related injuries**

	2025	2024
Own workforce	-	-
Other workers who worked at a Mercedes-Benz Group site	1	2

Number of fatalities as a result of work-related ill health¹

	2025	2024
Own workforce	-	-
Other workers who worked at a Mercedes-Benz Group site	-	-

¹ The information relates to cases of work-related ill health that were reported to the Mercedes-Benz Group or identified as part of medical monitoring during the reporting period. In accordance with local legal regulations, no cases were reported to the Group in the reporting year. In Germany, for example, cases of work-related ill health are recorded by the employers' liability insurance association.

Employee representation and social dialogue**Policies**

The Mercedes-Benz Group acknowledges the rights of its employees. These also include the right to form employee representative bodies, to collective bargaining and in accordance with the laws of the place of employment, the right to strike.

Relevant for a trusting collaboration between employers and employees are, among other things, the agreement on the World Employee Committee¹, the agreement

on the information and consultation of employees at European level as well as in Germany, the Works Constitution Act. Important partners are the works council committees at the locations, the General Works Council, the Group Works Council, the European Works Council and the World Employee Committee.

The Mercedes-Benz Group reviews the effectiveness of its policies and actions through, among other things, employee surveys and various feedback channels for employee involvement.

Actions

Group-wide collective bargaining agreements exist for the majority of employees. In Germany, these are collective bargaining agreements and works agreements.

The cooperation between the parties to the collective bargaining agreements is an important action. Collective agreements, in-house and supplementary collective agreements regulate the working conditions for the majority of employees.

At the company level, employee representatives and works councils are in constant dialogue. Works councils are involved in decisions on social, personnel, and economic issues. The parties strive to consider both the economic interests of the Group and the interests of the employees. The results of the dialogues are laid down in group and (general) works agreements.

In the reporting year 2025, significant agreements were reached, including the general works agreement on securing the future, the "job compass", the framework for flexitime, and the pilot general works agreement on the introduction of scaled agile working methods.

There is regular communication between employee representatives and management regarding current developments and challenges. Employees are informed about planned changes at an early stage. In addition, according to the Co-determination Act, employee representatives are part of the Supervisory Board.

Metrics

91.9% of all employees in the European Economic Area² are covered by collective bargaining agreements (2024: 92.3%). There is also an agreement on the representation of employees by the European Works Council. It serves to facilitate the Europe-wide exchange of information and opinions between the Group management and the employees.

¹ The World Employee Committee is the global representation of the employees of the Mercedes-Benz Group and serves to facilitate the exchange of information and opinions between employee representatives as well as the dialogue with the Group management on cross-border issues.

² European Economic Area (EEA) = EU including Iceland, Liechtenstein, Norway.



Coverage Rate ^{1,2}	Collective Bargaining Coverage ³	Social Dialogue
0-19%		
20-39%		
40-59%		
60-79%		
80-100%	Germany	Germany

¹ For countries in which the Mercedes-Benz Group has 50 or more employees, representing at least 10% of the total number of employees.

² Reference date 31 December 2025.

³ Through multiple collective bargaining agreements.

Equal treatment and equal opportunities

Policies

The Mercedes-Benz Group values a diverse workforce. Diversity, alongside sustainability and integrity, forms the foundation of the Mercedes-Benz Group's strategy. The focus lies on the topics of the advancement of women, internationality and equal opportunities.

The Mercedes-Benz Group has summarized its understanding of diversity and inclusion in the mission statement "The Power of Being Unique". For Mercedes-Benz Group AG, Mercedes-Benz AG and Mercedes-Benz Intellectual Property GmbH & Co. KG, the principles of diversity and inclusion are enshrined in the General Works Agreements "Advancement of women" and "Equal opportunities". These define concrete areas of action for deriving measures.

These topics are also regulated in the Integrity Code and the Group Works Agreement "Fair Treatment in the Workplace". The Integrity Code, which is explained in the "Governance information" under "[Corporate culture](#)", defines the Corporate Principles and guidelines for the daily interactions. The Principles of Social Responsibility and Human Rights are outlined in the chapter "Workers in the value chain" under "[Respect for human rights](#)" and supplements and specifies the Integrity Code.

Both are binding for all employees of the Mercedes-Benz Group. In accordance with its Corporate Principles, the Mercedes-Benz Group promotes an inclusive corporate culture characterized by mutual respect, appreciation and fairness. Equal opportunities for all is the aspiration. Discrimination in any form is not tolerated, especially not in relation to:

- age
- disability
- gender, gender identity and gender expression
- health status
- national and ethnic origin
- political opinion, religion and ideology
- political, social or union affiliation
- sexual orientation
- social background



Targets

The Group pursues the following targets with regard to equal treatment and equal opportunities:

Target	Target horizon	Status
Achieve an Inclusion Index ¹ of 75%.	2030	According to plan
Milestone of 70%	2025	achieved
30% women in senior management positions at levels 1–3 worldwide ² .	2030	According to plan

¹ The approval rate is measured based on the rating of the following statement in the employee survey: "Everyone in this Company is treated fairly – regardless of ethnicity, gender, age, disability or other differences that have nothing to do with professional performance". The approval rate was 74% in 2025.

² Targets are only applicable in locations where this is consistent with applicable law.

Actions

Permanent actions to promote an inclusive corporate culture include information, awareness-raising and participation formats that emphasize the principles and rules for equal opportunities and respectful interaction. In addition, there are training courses, information and advice offers on topics such as sexual harassment, bullying and discrimination as well as measures within the framework of the Social Compliance Management System. Further information on this can be found in the "Governance information" in the section "Compliance with laws and regulations" under "[Social compliance](#)".

The Group demonstrated its commitment to diversity and inclusion in 2025, for example with the Inclusion Week, a week with digital offerings that focused on

equal opportunities and the personal contribution of the individual. Another example is the participation in Pride Parades including those in Berlin and Johannesburg. In 2025, the Mercedes-Benz Group also engaged in sponsorship activities for local LGBTIQ+ organizations.

In Germany, representatives of persons with disabilities and inclusion officers advocate for the interests of persons with disabilities, in order to enable equal participation. Through continuous actions, which are laid down in an inclusion agreement, the Mercedes-Benz Group promotes the inclusion of persons with disabilities. For example awareness-raising activities have been implemented and barrier-free tools provided to support an inclusive working environment.

The Mercedes-Benz Group promotes internationality, a global mindset and the cultural diversity of its workforce. Among other things, it supports international assignments for its employees and offers attractive support services and safe reintegration.

The Group is offering various specific development opportunities to promote female talent, such as participation in the Global Summit of Women, and participate in various initiatives to, among other things, specifically target women in technical professions. In addition, the Mercedes-Benz Group is a member of the European Women's Management Development Network (EWMD) and a signatory of the UN Women's Empowerment Principles (WEPs).

The Mercedes-Benz Group is also committed to diversity and inclusion outside the Group through memberships and initiatives such as Charta der Vielfalt e.V., The Valuable 500 and the UN Standards of Conduct for Business to combat discrimination against LGBTIQ+ people.

Metrics

Gender distribution at top management level (1-2)¹

	At 31 December	
	2025	2024
Gender distribution at top management level (absolute)		
Male	294	330
Female	94	100
Gender distribution at top management level (in %)		
Male	75.8	76.7
Female	24.2	23.3

¹ Top Management level is the first two levels directly below the Board of Management.

The Mercedes-Benz Group is taking a more comprehensive approach to calculating the gender distribution of the top management level, as the aim is to increase the proportion of women in all senior management positions, not just in top management.

**Gender distribution at senior management level 1-3^{1,2} – company-specific**

	At 31 December	
	2025	2024
Gender distribution at senior management level (absolute)		
Male	1,505	1,656
Female	547	593
Gender distribution at senior management level (in %)		
Male	73.3	73.6
Female	26.7	26.4

1 Data have been audited with reasonable assurance.

2 Management levels 1 - 3 are the first three levels directly below the Board of Management.

Age distribution of own workforce (in %)

	At 31 December	
	2025	2024
Under 30 years	11.8	13.1
30 - 50 years	57.6	56.8
Over 50 years	30.6	30.1

Engagement with own workforce

In order to shape the future together with the employees, the Group incorporates their perspectives into decision-making and work processes through various formats.

Employee survey

Employee perspectives are taken into account at least every two years through a group-wide employee survey. This enables the measurement of employee engagement, employee satisfaction, the implementation of change processes related to corporate culture and the employee assessments of other important topics. The results help to identify progress and areas for improvement. This is an important indicator of how employees perceive the Mercedes-Benz Group with regard to strategically relevant topics such as inclusion, digitalization, health and safety at work and flexible working. The survey offers employees the opportunity to provide feedback and, through the follow-up process involving a variety of local and cross-company initiatives, contributes to continuously improving leadership and corporate culture as well as to make a positive contribution to strengthening the winning attitude. Further information on “Winning Attitude” is presented in the section “Responsible transformation”. In the reporting year, 87% of the employees participated in the employee survey. Thus, the ambition of a participation rate of at least 70% was exceeded.

Employee networks

Networks offer employees with common interests, experiences or values the opportunity to come together and connect and exchange ideas.

Ideas management

The workforce is also involved in shaping work processes through structured ideas management, which is an integral part of the corporate culture. Employees can submit ideas on relevant topics such as resource use, occupational safety and environmental protection via a digital platform.

Another key action for engaging with employees is the dialogue with employee representatives. This is described in the section “Employee representation and social dialogue”.

Employees can contribute and obtain information via various communication channels such as the employee portal, emails and special dialogue formats. This includes information on further training and retraining actions, transformation projects and the promotion of health and safety in the workplace.



Remediation of negative impacts and channels for own workforce to raise concerns

Employees of the Mercedes-Benz Group who have experienced or observed discrimination, bullying, sexual harassment or other incidents relevant to labour law can contact various points of contact: managers, the HR department, social counselling, employee representatives, the company medical service or the Group Representative Committee for Senior Managers. Complaints are investigated, followed up and, if necessary, disciplinary proceedings are initiated.

Further points of contact are the Infopoint Integrity and the Group's own Whistleblower System Business & People Protection Office (BPO). These are described in more detail in the "Governance information" in the section "Corporate culture" under "[Integrity, network and dialogue](#)" and in the section "Compliance with laws and regulations" under "[Reporting of legal and rule violations](#)".

In numerous units, employees also have access to external programmes, which include self-help options as well as (anonymous) counselling services.

Metrics

Incidents and complaints related to discrimination and other labour law issues

	2025	2024
Number of reported serious cases of discrimination ¹	11	21
Number of complaints reported via internal complaint channels ²	300	334
Number of complaints reported via national contact points	-	-

¹ This number essentially includes serious cases of discrimination, sexual harassment, racism, and violations of physical/psychological integrity.

² Disciplinary cases from the human resources department concerning working conditions, equal treatment and equal opportunities, as well as other work-related rights that have been documented in writing will be addressed.

In connection with the aforementioned cases of discrimination and complaints regarding other labour law issues, material fines, sanctions and compensations of around €51,000 (2024: €10,000) were incurred. These expenses are included in the Group's Consolidated Statement of Income in "[Other operating income and expense](#)".



Workers in the value chain

Material topics and their interaction with strategy and business model

Respect for human rights is of central importance to the Mercedes-Benz Group and therefore constitutes one of the six strategic sustainability focus areas. Further information on this can be found in the “General information” under [“Strategy, business model and value chain”](#).

The Group’s supply chains can comprise up to eight levels and sometimes branch out into a system of sub-suppliers. The supply chains evolve dynamically with every market change and innovation. With the expansion of electromobility in particular, the protection of workers in the upstream value chain is increasingly coming into focus. The production of battery cells requires an increased demand of raw materials such as lithium and cobalt. These often come from countries with an increased risk of human rights violations and the associated negative impacts on working conditions and employee rights.

The Mercedes-Benz Group has established a risk-based approach to upholding human rights due diligence, called the Human Rights Respect System (HRRS). It is committed to the responsible procurement of production and non-production materials and services. All products should only contain raw materials and

materials that have been mined and produced in compliance with human rights, employee rights and environmental standards. In addition, the Group sets minimum requirements and expectations for its suppliers, which are determined in the Responsible Sourcing Standards (RSS).

The material topics, as well as information on the resilience analysis, are disclosed in the “General information” under [“Material topics, impacts, risks and opportunities”](#).

Policies

Respect for human rights

The Group is committed to respecting human and employee rights in all Group companies and among partners along the value chain. The Group makes this clear in its Principles of Social Responsibility and Human Rights.

These principles serve as basis for implementing human rights due diligence obligations and sets out the human rights risks relevant to the Mercedes-Benz Group. Furthermore, the Group is committed to the following international conventions and guiding principles, among others:

- Universal Declaration of Human Rights
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights

- Declaration of the International Labour Organization (ILO) on Fundamental Principles and Rights at Work
- United Nations Guiding Principles on Business and Human Rights
- Ten Principles of the UN Global Compact (UNGC)
- Guidelines for Multinational Companies of the Organisation for Economic Co-operation and Development (OECD)

The Principles of Social Responsibility and Human Rights, which were updated in this reporting year, include, among others, the following topics:

- an appropriate remuneration
- compliance with legal or industry-specific working time requirements
- the prohibition of human trafficking, child and forced labour
- the right to freedom of association and collective bargaining
- health and safety at work
- the right to equal opportunities and protection from discrimination



The Mercedes-Benz Group uses the HRRS to carry out systematic and risk-based checks of whether human rights are being respected in the value chain. Accordingly, the Group pursues a variety of actions to prevent negative impacts worldwide, and wherever possible to end or to mitigate them. This applies within the Mercedes-Benz Group's own business activities as well as towards its partners and suppliers.

The HRRS is the process for implementing human rights due diligence obligations. The HRRS is based on the Group's Integrity Code, the Principles of Social Responsibility and Human Rights and the Group's Environmental and Energy Management Policy.

The Chairman of the Board of Management and other members of the Board of Management of the Mercedes-Benz Group AG have signed the Principles of Social Responsibility and Human Rights together with the General Works Council and the World Employee Committee. All relevant departments of the Group participated in drafting the principles, and external stakeholders were also involved.

The overarching activities on the topic of human rights are managed by the Integrity, Governance & Sustainability executive division of Mercedes-Benz Group AG. This division is responsible for the Principles of Social Responsibility and Human Rights. The further development of human rights due diligence within the Mercedes-Benz Group is carried out in close coordination between the relevant specialist departments via the Group's own Human Rights Respect System.

The Human Rights Officer of the Mercedes-Benz Group is also the Group's Chief Compliance Officer. He reports annually and on an ad hoc basis to the Board of Management of Mercedes-Benz Group AG and other bodies on relevant human rights issues.

Internal guidelines and requirements define the mandatory specifications for procurement processes. These apply to the managers and employees defined in the scope of application of the Mercedes-Benz Group and its controlled companies. The Social Compliance department supports the definition of the requirements of human rights due diligence within the Mercedes-Benz Group and towards suppliers. In doing so, it works closely with the specialist departments that are appropriate responsible for the operational implementation. This includes, in particular, the procurement units and the relevant functional compliance officers.

Requirements for suppliers

The Mercedes-Benz Group has anchored the guidelines for responsible supply chain management in the Responsible Sourcing Standards (RSS). The standards are applied internationally as a central contractual document for minimum and sustainability requirements.

The central approach of the RSS is described in the "Governance information" in the section "Corporate culture" under "[Expectations of Business Partners](#)".

Targets

The Mercedes-Benz Group has set itself targets for the implementation of its human rights due diligence obligations. The overarching principles applied to the strategic targets of the Mercedes-Benz Group can be found in the "General information" under "[Basis of preparation of the sustainability reporting](#)".



Target	Target horizon	Status
Define preventive actions for 100% of the Mercedes-Benz Group's production raw materials that pose an increased risk of human rights violations.	2028	According to plan
Milestone: by the end of the year 2025, review 70% of all production raw materials used by the Mercedes-Benz Group that pose an increased risk of human rights violations and define necessary preventive actions.	2025	achieved
Review the appropriateness of prevention measures for service and non-production material commodities relevant for value creation with the most significant human rights or environmental risks and derive areas for optimization.	2027	According to plan

Actions

With its actions, the Mercedes-Benz Group promotes transparency in the supply chain. It also wants to ensure that business partners comply with internationally recognized human rights and observe other social standards and environmental requirements.

Human Rights Respect System (HRRS)

The HRRS includes the protection of the Group's own workforce through the group-wide Social Compliance Management System (Social CMS) as well as processes for human rights due diligence in supply chains through Supplier Compliance Risk Management – Human Rights (SCRM) for direct suppliers and, on a risk-based basis, for indirect suppliers (beyond Tier 1).

The HRRS consists of four steps: 1. Risk assessment, 2. Programme implementation, 3. Monitoring and 4. Reporting. It aims to identify risks and potential and actual negative impacts of corporate activities on respect for human rights at an early stage, to systematically prevent them and – if necessary – to initiate countermeasures.

Supplier Compliance Risk Management – Human Rights (SCRM)

As part of the SCRM – Human Rights, the Mercedes-Benz Group subjects Tier 1 suppliers of its procurement units for production materials as well as for non-production materials and services to a risk assessment at least once a year. Following an initial overarching risk statement, the concrete risks are determined using specific questionnaires.

To establish comparability, the Group also uses standardized instruments from external sources. One example is the industry-wide sustainability questionnaire on social and environmental due diligence obligations (Sustainability Assessment Questionnaire) of the European sustainability initiative “Drive Sustainability”.

In addition, the procurement departments for production materials as well as non-production materials and services continuously review Tier 1 suppliers on the basis of risk for human rights and environmental risks using artificial intelligence. Furthermore, in 2025 the Mercedes-Benz Group continued its risk-based audits of direct and indirect suppliers.

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 – Human Rights.

The Business & People Protection Office (BPO) whistleblower system enables internal and external whistleblowers worldwide to report rule violations. The BPO whistleblower system is described in more detail in the “Governance Information” section under “Compliance with Laws and Policies” and [“Reporting Legal and Regulatory Violations”](#).

Mitigation and remediation of negative impacts

If the Mercedes-Benz Group becomes aware of deficiencies or violations with regard to applicable regulations, it generally contacts the supplier. It may become aware of deficiencies or violations based on risk assessments, the analysis of suspected cases, on-site audits, and other indicators.

The company's approach is to work towards fulfilling the contractual agreements. If necessary, corrective action plans are agreed upon with the supplier. Verification by the Mercedes-Benz Group can be carried out, for example, through a follow-up audit or the provision of evidence.

If the supplier fails to adequately improve the identified processes, the company will decide on further steps on a case-by-case basis. Ultimately, this could also lead to the Mercedes-Benz Group severing ties with a supplier.



Audits in the deeper supply chain

An external auditing and consulting company creates transparency about the complex raw material supply chains for battery cells. These are audited across all stages of the supply chain in accordance with OECD due diligence guidelines. 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. In addition, the scope, with a focus on human rights, was expanded to include environmental aspects and applied to selected audits.

Supplier training courses

The Mercedes-Benz Group sensitizes and informs its suppliers through appropriate training modules and – where appropriate – through its cooperation with sustainability and human rights initiatives.

The Mercedes-Benz Group developed the Compliance Awareness Module based on its sustainability standards for suppliers and its Integrity Code. The publicly available module supports suppliers in dealing responsibly with potential integrity and compliance risks. All suppliers can access the module via the supplier portal around the clock.

Review of risk raw materials

In order to examine further risks in procurement that go beyond Tier-1-suppliers, the Mercedes-Benz Group first analysed the raw materials present in a Mercedes-Benz vehicle and prioritized them based on various factors. The methodology provides for raw materials to be evaluated and prioritized based on country risk, the criticality of the raw material and internal expert assessments. External data sources are used for the evaluation, e.g. RMI's Global Risk Map. The Group plans to gradually examine the 24 critical raw materials identified in more detail by the year 2028 and define appropriate actions. This review consists of three steps:

1. Increase transparency along the raw material supply chains – especially for certain components, such as the battery cell. To this end, Mercedes-Benz Group contacts among others the suppliers of the relevant components and asks them to disclose their supplier structure in a self-disclosure.
2. Identify risk hotspots in the raw material supply chains – for example, based on country risks.
3. Define and implement actions for risk hotspots and check whether they are effective over the long term.

When assessing risks, the Mercedes-Benz Group is guided by the severity approach of the UN Guiding Principles, among other things. 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. In a further step, the Mercedes-Benz Group uses supplier dialogues, supplier self-disclosures and audits to assess whether the risk also occurs in its own production material supply chain. If this is the case, the Mercedes-Benz Group defines suitable actions to minimize the relevant human rights risks.

When selecting actions, the principle of not categorically excluding high-risk areas as sources of critical raw materials is followed. The Mercedes-Benz Group follows the principle of “Empowerment before withdrawal”. The ambition is to improve the local situation for the people and to strengthen their rights and protect the environment.

In the reporting year, the Mercedes-Benz Group was able to complete 72% of the process for reviewing all 24 critical raw materials (2024: 65%), thereby achieving its target for the year 2025. The target achievement describes the progress in the process for reviewing all 24 raw materials, including fully completed and partially completed assessments. During the reporting period, it completed the review of leather. The identified risk areas include child labour, inadequate occupational health and safety, environmental risks related to human rights, and forced labour. During the reporting period, the Mercedes-Benz Group recorded progress with respect to the 24 critical raw materials still subject to final assessments: 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.

**Review of high-risk services and non-production materials**

In addition, the Mercedes-Benz Group has the ambition to make risks in upstream supply chains for services and non-production materials more transparent in order to address them adequately. Therefore, the Group systematically examines value-added commodities with the most significant human rights or environmental risks in the procurement department for services and non-production materials using a three-stage process.

First, the Group analyses the procurement data and markets of the commodity and researches human rights and environmental risks and contextual factors of the associated industry. Depending on the identified risk situation, a cross-functional group of experts verifies the results. The expectations of stakeholders are also taken into account. If the Group identifies a need for action, existing preventive actions are further developed. In the reporting year, the Mercedes-Benz Group used this approach to focus on mechanical and plant engineering and completed the review in this area. The review of the transport logistics was completed in the 2024 financial year.

In addition, it piloted further actions to address risks in transport logistics supply chains. It continued its participation in a working group of the Sector Dialogue Automotive Industry of the National Action Plan for Business and Human Rights (NAP) to identify suitable preventive and remedial actions in the area of road transport logistics.

Promotion of human rights

The Mercedes-Benz Group is committed to going beyond preventive measures to exert a positive influence on the regions where raw materials and materials for its products are obtained.

For this purpose, the Group supports social projects within the supply chain environment with a focus on improving living conditions in the affected communities. The initiative aims to help prevent child labour. The focus is on raising awareness about children's, girls' and women's rights as well as creating educational and health opportunities and improved learning conditions. To this end, the Group cooperates with two NGOs: the Good Shepherd International Foundation in partnership with Bon Pasteur Kolwezi in the Democratic Republic of Congo, focusing on the cobalt mining region.

The Terre des Hommes Netherlands project in Jharkhand, India focusing on the mica mines. Both partnerships aim to present alternative income opportunities to local communities in the mining regions.

The Mercedes-Benz Group discusses the effectiveness of the initiatives with the sponsor at regular intervals. For example, in the reporting period, quarterly meetings were held in which the Group analysed the initiative's current success indicators and compared them with the figures initially set in the funding agreement.

Industry associations and initiatives

The Mercedes-Benz Group has long been involved in various industry and trade associations, as well as initiatives and networks that address the issues of sustainability and human rights in the supply chain. These memberships help the Group make complex supply chains more responsible through joint actions.

- UN Global Compact
- UN Global Compact Netzwerk Germany e.V.
- econsense – Forum for Sustainable Development of the German Economy e.V.
- World Business Council for Sustainable Development (WBCSD)
- Responsible Supply Chain Initiative e.V. (RSCI)
- Drive Sustainability – LEAD partner of the European automotive industry initiative Drive Sustainability
- Automotive industry dialogue in the National Action Plan for Business and Human Rights (NAP)
- Catena-X
- Responsible Minerals Initiative (RMI)
- Initiative for Responsible Mining Assurance (IRMA)
- Aluminium Stewardship Initiative (ASI)
- Responsible Mica Initiative (RMI)

Furthermore, during the reporting period, the Mercedes-Benz Group participated in a pilot project to development a cross-company, independent grievance mechanism in Mexico. The “Mecanismo en Reclamación en Derechos Humanos” aims to identify and mitigate potential human rights risks in the automotive supply chain in Mexico.

The formats for involving stakeholders are described in detail in the chapter “Strategy” under [“Interests and views of stakeholders”](#).



Affected Communities

Material topics and their interaction with strategy and business model

The Mercedes-Benz Group strives to combine economic success with responsible action towards the environment, people and society.

The Corporate-Citizenship strategy of the Mercedes-Benz Group focuses on two key areas: ecological sustainability and community empowerment. By funding the programme “beVioneers: The Mercedes-Benz Fellowship” through donations, the Mercedes-Benz Group supports talents who are committed to sustainability projects. In doing so, it aims to contribute to building a generation of pioneers in the field of sustainability.

The respect for human rights is a strategic focus area. The protection of local communities and indigenous peoples is of great importance to the Mercedes-Benz Group.

Its commitment is to protect and promote human rights along the entire value chain. This also addresses the rights of members of local communities and indigenous peoples who may be affected by business activities at supply chain sites and by local impacts of corporate activities.

The protection of the affected communities is also increasingly gaining focus due to the expansion of

electromobility. The mining and processing of rare raw materials often occurs in regions where there is a risk of negative impacts on affected communities.

With regard to its complex supply chains, the Mercedes-Benz Group is committed to responsible procurement and sets requirements for its suppliers. Basic information on the supply chain is described in the “General information” under [“Strategy, business model and value chain”](#) and in the chapter [“Workers in the value chain”](#).

To avoid negative impacts on local communities and indigenous peoples, the Group relies on comprehensive preventive actions.

The material topics, as well as information on the resilience analysis, are disclosed in the “General information” under [“Material topics, impacts, risks and opportunities”](#).

Social Engagement

Policies

The Mercedes-Benz Group is engaged in Corporate-Citizenship activities worldwide. Its ambition is to contribute to environmental sustainability and community empowerment.

Actions

Since 2023, Mercedes-Benz Group AG has been funding the global mentoring programme “beVioneers: The Mercedes-Benz Fellowship” through donations. The programme aims to foster young talent and make a positive contribution to society and the environment. This commitment addresses key elements of Mercedes-Benz Group’s corporate citizenship strategy. The programme is implemented by a non-profit organization. Young people apply to the programme with their ideas and sustainability projects, including climate protection initiatives. beVioneers offers participants a learning and coaching programme, access to project funding, and, if needed, further financial support. The programme focuses on topics such as sustainability, leadership, and entrepreneurship. Mercedes-Benz Group employees can, for example, qualify for mentoring within the beVioneers programme.

In 2025, the donation volume associated with beVioneers amounted to €12 million.



Rights of affected communities and indigenous peoples

Policies

The basis for respecting the rights of affected communities and indigenous peoples is formed by internationally recognized standards, the Principles of Social Responsibility and Human Rights, as well as the Mercedes-Benz Group's Responsible Sourcing Standards (RSS). These overarching policies can be found in the chapter "Workers in the value chain" under "Policies". They also include affected communities along the Mercedes-Benz Group's value chain.

In the risk analysis, risks to affected communities and indigenous peoples are systematically assessed for specific raw material supply chains under the risk area Human Rights.

The RSS set specific requirements for suppliers and refer to international frameworks such as the ILO Convention on Indigenous and Tribal Peoples No. 169 and the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP, Resolution 61/295). In particular, requirements are formulated for the mandatory consideration of the voluntary consent

of the affected indigenous peoples (Free, Prior and informed Consent – FPIC) as well as the protection of peoples living in voluntary isolation.

Targets

The Mercedes-Benz Group has set itself targets for the implementation of its human rights due diligence obligations.

Within its scope to influence upstream value chains, the Mercedes-Benz Group strives to prevent negative impacts on affected communities along the value chain through comprehensive due diligence. Accordingly, the targets outlined in the chapter "Workers in the value chain" regarding the verification of raw materials and services also apply in this chapter.

Actions

In order to counteract potential violations of the human rights of affected communities and indigenous peoples, the Group has established comprehensive actions, which can be found in the chapter "Workers in the value chain" under "Actions". These actions are intended to prevent and remedy negative impacts throughout the entire value chain, from the workers to the local communities.

Based on the risk analysis, targeted actions are implemented to reduce risks for affected communities and indigenous peoples in Mercedes-Benz supply chains. Examples include:

- Nickel Mining in Indonesia (NIPI-project): This project aims to mitigate the social and environmental consequences of nickel production. A forum comprising local communities, national and regional government representatives, and civil society organizations is intended to identify problems in the affected communities and develop action plans. Together with civil society and local authorities, the project seeks to strengthen health services in the communities and improve access to safe drinking water. Furthermore, research at national universities on marine biodiversity should be supported in order to develop strategies for the restoration and protection of marine ecosystems.
- the mining of bauxite in Brazil (Corridor Program): The alliance aims to foster long-term value creation in the region. The affected communities along the pipeline are expected to identify and prioritize projects that will bring about improvements for the region. This approach empowers local stakeholders to make progress independently.



Consumers and end-users

Material topics and their interaction with strategy and business model

For the Mercedes-Benz Group, it is both an aspiration and an obligation to shape the future of mobility in a customer-focused and safe manner. It relies on innovative technologies as well as safe and high-quality vehicles. Its ambition is to recognize the requirements of customers and to enable a safe driving experience.

For the Group, customer trust and the responsible handling of customer data among other factors, form the foundation for individual and digital products, services and offers.

Safety is one of the brand values of Mercedes-Benz. Accident-free driving and a world without road deaths – this vision drives the Mercedes-Benz Group and is reflected in one of the strategic sustainability focus areas. It is controlled by a holistic safety strategy. This is intended to ensure the safety of all road users.

In order to advance new technologies, the Mercedes-Benz Group works closely with external innovation drivers, start-ups and technology companies, among others. It is committed to the consistent development of efficient drive systems and is working on the intelligent networking of its vehicles, autonomous driving and new mobility concepts.

The Mercedes-Benz Group is in the midst of a digital transformation evolving from an automobile manufacturer to a software-driven company. The digital transformation and the development of digital technologies, products and services are increasing rapidly and are accompanied by new regulatory developments.

In view of these developments, the fundamental value of trust in digital innovations becomes clear. The Mercedes-Benz Group prioritizes this with its focus area “Digital Trust”.

The material topics, as well as information on the resilience analysis, are disclosed in the “General information” under [“Material topics, impacts, risks and opportunities”](#).

The Mercedes-Benz Group monitors to what extent policies and actions are effective using qualitative indicators, internal procedures and external analyses.

Customers in focus

Policies

The Mercedes-Benz Group is convinced that it can only be successful and profitable in the long term if it puts the preferences of its customers first. A customer-oriented product and service portfolio is therefore a fundamental requirement for the Mercedes-Benz Group. The Mercedes-Benz Group works closely with development partners to advance new technologies and the intelligent networking of its vehicles.

Mercedes-Benz Cars defines market-specific ambitions regarding customer satisfaction and competitive position in the relevant market. These are reviewed annually.

Mercedes-Benz Cars' overarching ambition for customer satisfaction is to be number 1 in the premium segment¹ of the automotive industry. This reflects the requirement of both its customers and Mercedes-Benz. The competitive position is assessed annually using representative external studies such as J.D. Power.

¹ Premium segment defines the relevant competitors used in the course of the studies to determine the annual position on customer satisfaction.

**Actions****Market research, trend analyses and surveys**

The basis for the customer-oriented development and design of products and services is provided by systematic and continuous market research studies. These identify different requirements of customer segments and take country-specific characteristics into account.

Furthermore, market research studies are carried out on specific occasions, e.g. before and after the introduction of new series, products and services. Comprehensive annual competition studies offer an analysis of purchase-relevant criteria as well as reasons for not purchasing.

Additional customer feedback on satisfaction with products and services is collected continuously. This is intended to enable targeted actions to improve customer satisfaction and loyalty.

To detect quality defects at an early stage, all company car drivers within the Group regularly receive a survey about possible quality issues. The results are incorporated into product development and improvement.

In addition to product and service-related studies, customer satisfaction with the purchasing and service processes is continuously monitored worldwide by authorized sales and service partners. Customers can also provide individual feedback.

The Mercedes-Benz Customer Assistance Center Maastrich N.V. (CAC) also operates a central platform for recording and resolving complaints, breakdowns and product-related inquiries. The Mercedes-Benz Group regularly measures customer loyalty using the Net Promoter Score (NPS). The NPS is anchored as a performance criterion in the bonus system for management and executives.

Development partnerships

The Mercedes-Benz Group is working with partners to further develop its vehicles in order to optimize the customer experience and implement new safety technologies.

The company Nvidia provides the basis for the powerful computers in the vehicles with its intelligent chip system, enabling AI-supported driver assistance systems at a new level. Every vehicle built on the future Mercedes Modular Architecture (MMA) will be equipped with a high-performance computer that is part of the Mercedes-Benz operating system (MB.OS).

MB.OS uses AI and machine learning. The system is supported by sophisticated sensors, actuators and the Mercedes-Benz Intelligent Cloud, in which the Mercedes-Benz Group collaborates with the companies Microsoft Azure, AWS, GCP and Tencent.

In addition, the partnership with Google enables the integration of Google Maps and route guidance in the western world. This results in a navigation system with real-time traffic data, automatic adjustment of route

planning to the traffic situation, automatic speed adjustment at intersections and curves, and seamless user-friendliness. Thus, the navigation system provides additional comfort and safety.

Furthermore, the Mercedes-Benz Group is integrating Large Language Models (LLMs) from Microsoft Azure OpenAI, Google, and ByteDance into its vehicles. This is intended to optimize the intelligence of the virtual Mercedes-Benz vehicle assistant "Hey Mercedes".

Together, these partnerships promote an innovative driving experience. It sets new standards through intuitive operation, continuous updates and additional protection.

Customer data

In addition to market analyses and surveys, the Sales & Customer Experience Organisation of the Mercedes-Benz Group evaluates anonymised user data in order to identify and generate customer-oriented products, services and offers. Individualized and digital products, offers and services are to be made available in an integrated and smooth process in order to create an individual customer experience.

Customer trust

Responsible handling of data forms the basic framework of the Mercedes-Benz Group Data Vision. It is based on principles such as Transparency, Choice and Data Security. The Mercedes-Benz Group Data Vision thus supports all employees in the Group in their work with data. It gives them direction and determines which aspects need to be considered when dealing with data.

In order to strengthen trust, the Mercedes-Benz Group informs its customers about the use of data and its selection. The Mercedes-Benz Group has also included the Privacy Center in the Mercedes me App. It gives customers transparency and control over the use of their data. Further information on data compliance and how to deal with data breaches can be found in the “Governance information” under [“Compliance with laws and regulations”](#).

The Mercedes-Benz Group believes in the great potential of artificial intelligence (AI) and wants to foster AI innovation. At the same time, it is aware of the risks and uncertainties associated with AI. That is why the Mercedes-Benz Group developed four AI principles for the responsible handling of AI. The AI principles are: Responsible Use, Explainability, Protection of Privacy, and Safety and Reliability. They have been anchored into the Group’s Integrity Code and complement the Data Vision.

The information and actions of the Mercedes-Benz Group in connection with potential cyber-attacks resulting from the increasing digitalisation and networking of the vehicles are presented in the Risk and Opportunity Report in the chapter [“Company-specific risks and opportunities”](#) under “Information technology risks and opportunities”.

Steering of the focus area Digital Trust

The Mercedes-Benz Group manages the focus area “Digital Trust” using the “Digital Trust Index”. Further information on this can be found in the “Governance information” under [“Corporate culture”](#).

Traffic Safety**Policies****Vehicle and environmental safety**

Real-life safety is the central safety philosophy of the Mercedes-Benz Group. For decades, the Group’s own systematic accident research, which is integrated into vehicle development, has been the basis for innovative, high-performance safety systems. The Group is continuously working on improving traffic safety and boosting the performance of the vehicle’s systems. This means that accidents can be avoided or their consequences reduced. The Mercedes-Benz Group’s holistic safety concept is divided into four phases:

- Assistance while driving: The Mercedes-Benz Group pursues the strategy of ensuring a high level of safety for all road users through preventive actions and comprehensive protection mechanisms. The focus is on actively supporting the driver, identifying dangers early and avoiding accidents. This includes various assistance systems that provide timely warnings and support the driver in driving the vehicle. In particular, the Active Brake Assist with pedestrian detection can help reduce accidents involving pedestrians and cyclists.
- Prepare for a possible accident: If an accident can no longer be avoided, actions can help to reduce the severity of the accident and to prepare the occupants for the impending impact. Technologies such as PRE-SAFE® ensure that these are initiated automatically. This includes, for example, pre-tensioning seat belts, closing the windows and sunroof or moving the front passenger seat to a more upright position.
- Protect in the event of an accident: The third phase aims to protect the occupants as best as possible during an accident. This is done by using safety systems such as airbags and seat belts. This reduces the risk of injuries.
- Help after an accident: After an accident, help must be provided quickly and effectively. Automatic emergency call systems should ensure that rescue services are informed very quickly.

**Product safety**

The internal Safety First Directive forms the basis for transparent and early identification of potential risks. It includes product defects that may reduce the safety of vehicle occupants and other road users. The directive regulates the process for dealing with issues with potential safety, regulatory, conformity or emissions relevance (SCE relevance). It supports the immediate initiation of necessary actions.

The decision-making process as to which issues are potentially relevant to SCE goes through different analysis phases and committees. The final decision is made by the Vehicle Regulatory Committee (VRC). The VRC is composed of executive managers from the relevant areas directly below the Board of Management. They decide on possible actions including recalls or warnings on safety, regulatory, conformity and emissions-relevant issues.

Development of automated vehicles

Responsible development means, among other things, complying with laws, relevant technical, regulatory requirements and internal guidelines, as well as taking ethical aspects into consideration. These requirements are particularly extensive for automated driving.

The aim is to offer all road users reliable and safe systems. Among other things, the implementation of traffic regulations should be integrated into the system's design from the outset. This must be translated

into the software accordingly. In addition to the safety of vehicle occupants, the Mercedes-Benz Group also always keeps social aspects and interests in mind.

With the "Ethics by Design" approach, the Mercedes-Benz Group integrates ethical aspects into its concepts from the start and into the entire product development process for automated driving. This approach is based on ethical principles, takes internal rules and regulations into account and is continuously being developed further. The internal rules and regulations include, for example, the Data Vision and the AI principles. The AI principles build on the principles of the Mercedes-Benz Group and are anchored in the Integrity Code.

In addition to its own policies and principles, the Group follows national and international guidelines and standards. This includes guidelines from the Ethics Commission on Automated and Connected Driving (Federal Ministry of Transport).

The Mercedes-Benz Group supports the goal of the EU "Vision Zero". According to the plan, the number of road deaths and serious injuries should be halved by 2030 compared to 2020 and the number of road deaths reduced to zero by 2050.

Actions**Accident research and crash tests**

The basis for high-performance safety systems and better protection for vehicle occupants is systematic accident research that includes the study of real-life traffic accidents. Experts from the Mercedes-Benz Group continuously investigate accidents in which a Mercedes-Benz vehicle was involved. Thus, the Group analyses how accidents occur and which safety systems could have prevented them.

The Mercedes-Benz Group tests the crash safety of its vehicle models and subsystems using the latest testing technology. Computer simulations enable the Group to improve the maturity of the test vehicles and safety systems before the first crash test. It helps to increase the efficiency of the development phase.

Cooperations

The Mercedes-Benz Group relies on cooperation and participates in research projects to make road traffic safer. Together with external partners, the Group is working on standard procedures with which the potential of new protection systems can be predicted. To continuously improve and expand the collection of accident and traffic data, it wants to work even more closely with existing and new partners. The ambition is to advance ideas and technologies from basic research to market-oriented application through the agile networking of various projects.

**Technical Compliance Management System**

The Mercedes-Benz Group uses the internal “technical Compliance Management System” (tCMS) to identify risks in the product development process at an early stage and to counter them preventively. The Group answers technical, legal, ethical, certification and safety-related questions – including those concerning automated driving at Mercedes-Benz Cars – with an integrated approach using the tCMS. Interdisciplinary committees deal with the needs of all road users who interact with automated vehicles in road traffic, among other things. In this way, the Group wants to increase both the safety and acceptance of the products.

Responsible use of AI in relation to automated vehicles

The Mercedes-Benz Group is intensively addressing the potential negative impacts of bias in artificial intelligence on the safety of road users in automated vehicles.

In collaboration with a renowned scientific partner, requirements and standards for dealing with bias were defined. Building on this, an internal roadmap was developed to test for bias. A key component is the collaboration with partners in the field of object recognition to ensure that no bias is present. The focus is on collecting diverse and global data and developing metrics for detecting bias.

Involvement in committees and associations

With regard to automated driving, the Mercedes-Benz Group is a member of numerous international and national committees and associations. The aim is to establish reliable legal frameworks, technical standards and ethical guidelines for the use of the new technology.

Management of the focus area of traffic safety

Mercedes-Benz Group manages the focus area of “Traffic Safety” via the “Traffic Safety Index”. This is made up of four pillars, each of which is given equal weighting:

Pillar 1 includes actions related to the safety philosophy of the Mercedes-Benz Group – real-life safety. In addition, data on accidents worldwide is examined and real accidents from the vehicle fleet are analysed using systematic accident research at Mercedes-Benz Group.

Pillar 2 uses results from relevant vehicle safety ratings such as NCAP, IIHS and C-IASI.

Pillar 3 is about how customers perceive the safety concept and safety systems of Mercedes-Benz vehicles. This also includes the communication of topics related to technology and innovations regarding vehicle safety.

Pillar 4 includes actions in the sense of social responsibility towards society. These include dialogue events with traffic safety experts, educational initiatives such as MobileKids and SAFE ROADS, and ethics as a criterion for relevant decisions on automated driving.

Dialogue and engagement with consumers and end-users

The Mercedes-Benz Group promotes open dialogue between business and consumer associations, politics, authorities, industry, science and civil society. The Group therefore uses the Traffic Safety working group at the annual Sustainability Dialogue to exchange ideas on ethical, legal and social issues relating to automated driving and vehicle safety. Further information on the inclusion of consumers and end-users can be found in the chapter “Strategy” under [“Interests and views of stakeholders”](#).

The Mercedes-Benz Group’s Whistleblower System Business & People Protection Office (BPO) is also generally available to consumers and end-users of the Mercedes-Benz Group. It is explained in the “Governance Information” under [“Reporting of legal and rule violations”](#).



Governance information

Material impacts, risks and opportunities and their interaction with strategy and business model

The Mercedes-Benz Group is convinced that those who act ethically and legally responsibly will remain successful in the long term. For the Group, this includes complying with applicable laws and regulations and aligning its actions with its corporate principles. Responsible corporate governance underpins the six strategic sustainability focus areas for the Mercedes-Benz Group. Further information on the focus areas can be found in the section “General information” under the chapter [“Strategy, business model and value chain”](#).

Integrity is firmly anchored in the strategic vision and, alongside the People Principles, is a central element of the corporate culture. The People Principles at the Mercedes-Benz Group define how work, communication, and leadership are conducted.

Beyond its own business activities, the Mercedes-Benz Group also expects all its business partners to act with integrity.

In the age of digitalization, the Mercedes-Benz Group emphasizes the importance of Digital Trust. The Mercedes-Benz Group addresses these digital developments with its focus area of “Digital Trust”.

The Group is committed to counteracting potential compliance risks that may arise from improper and unethical behaviour. The ambitions include combating corruption, maintaining and promoting fair competition and ensuring compliance with product requirements throughout the entire product lifecycle.

The Mercedes-Benz Group pursues an approach of responsible political advocacy of interests. It is committed to its social responsibility, to upholding human and workers’ rights, and sees itself as a supporter of the social market economy and a rules-based international economic order.

The material topics, impacts, risks, and opportunities, as well as information on the resilience analysis, are disclosed in the section “General information” under [“Material topics, impacts, risks, and opportunities”](#).

Corporate culture

Integrity Code and Corporate Principles

The Mercedes-Benz Group’s requirements for integrity, compliance, and legal responsibility are anchored in the Group’s own Integrity Code. The Code applies to all managers and employees of Mercedes-Benz Group AG and the consolidated Group companies worldwide.

A central element of the Integrity Code are the Corporate Principles. These includes acting responsibly and making conscious decisions, respecting the rules, openly addressing issues, ensuring transparency, and embodying fairness, respect, and diversity in daily working life.

Furthermore, the Integrity Code contains, among other things, regulations on the prevention of corruption, guidelines for human rights and the responsible handling of data and artificial intelligence and compliance with technical product requirements. Violations of the Integrity Code must be reported to the supervisor or the HR department. Furthermore, violations can be reported via the Mercedes-Benz Group’s Whistleblower System Business & People Protection Office (BPO). Further Information can be found in this chapter under [“Reporting of legal and rule violations”](#).



The Mercedes-Benz Group regularly trains its employees on integrity and compliance based on its Integrity Code. Further information is described in the [“Training actions”](#) section of this chapter.

The Mercedes-Benz Group’s internal principles and guidelines are based, among others, on the ten principles of the United Nations (UN) Global Compact and other international principles, which can be found in the chapter “Workers in the value chain” under [“Policies”](#).

Digital Trust

With the strategic sustainability focus area “Digital Trust”, the Mercedes-Benz Group addresses the complex challenges of the digital transformation and, among other things, is taking into account the increasing importance of trust in the digital age. The ambition is to build and maintain trust in digital products and services in order to enable competitive digital business.

The Group manages the focus area using the “Digital Trust Index”, which was newly developed prior year. This is composed of equally weighted components. They reflect the four focus areas defined for “Digital Trust”: “Data Responsibility”, “Digital Literacy”, “Responsible AI”, and “Cyber Security”.

The components of the “Digital Trust Index” illuminate, on the one hand, the external perception of the Mercedes-Benz Group with regard to Digital Trust. On the other hand, they examine internal actions in the focus areas, as well as their perception among employees.

People Principles

To create the basis for a trusting leadership and corporate culture, the Mercedes-Benz Group has formulated eight principles.

- Agility: the ability to adapt quickly to changing circumstances and conditions
- Empowerment: continuous development, taking responsibility and mutual trust
- Co-Creation: creative collaboration across functions and departments
- Driven to Win: the desire to strive for the best
- Customer Orientation: to continually delight customers and offer convenience, speed, and the highest quality – long-term customer satisfaction
- Purpose Driven: working on the basis of shared beliefs and a deeper meaning
- Pioneering Spirit: promoting creativity and innovation
- Learning: continuous development through active, appreciative feedback, as well as sharing of knowledge and experiences

Based on these central principles, the divisions and departments can set their own priorities.

Leadership culture

Managers play a particularly important role in the transformation. They must not only lead the Group successfully into the future, but also continue to develop themselves and their teams – increasing their innovative strength and inspiring them for new technologies. The Mercedes-Benz Group therefore supports its managers with further training programmes to integrate these principles into their daily management practice.

Talent development programmes empower managers and people on their way to new leadership roles to master strategic challenges and actively shape the transformation. These programmes are complemented by digital learning journeys and leadership impulses on current topics, such as artificial intelligence.

The regular employee survey provides insights about the extent to which employees are satisfied with the Mercedes-Benz Group as an employer. The results are analysed, and actions are derived to continuously develop the leadership and corporate culture. Furthermore a positive contribution shall be made to strengthening the “Winning Attitude”, through which the Mercedes-Benz Group is further developing its working practices within the Group.

Further information on the employee survey is described in the chapter “Own employees” under [“Engagement with own workforce”](#).

Integrity, network and dialogue

The Mercedes-Benz Group operates the Infopoint Integrity to promote a corporate culture of integrity. It works, among others, with experts on legal and HR issues, data protection, compliance, diversity and sustainability. It serves as a central point of contact for all employees of the Group with questions concerning ethical behaviour and supports or connects employees with the appropriate contacts. In addition, the Integrity Network works to embed integrity in everyday business. Representatives from the business units share insights into their integrity activities at regular network meetings.

The Mercedes-Benz Group continuously develops its understanding of integrity. It reviews the effectiveness of its policies and actions based on internal processes and employee feedback. In addition to feedback from the Integrity Networks, the results of the employee survey are also important indicators in this regard. The survey results from 2025 underline the stable and continuous perception of the culture of integrity.

Expectations of business partners

The Mercedes-Benz Group expects compliance with laws and integrity not only from all employees, but also from its business partners. When selecting direct business partners, the Mercedes-Benz Group ensures that they adhere to laws and ethical principles. The Mercedes-Benz Group subjects both potential and existing business partners to a risk-based integrity check. This is intended to identify potential integrity violations at

an early stage. Successful completion of this due diligence review is a prerequisite for cooperation with the Group. The Mercedes-Benz Group reviews existing business partners on an ad-hoc or periodic basis, depending on the identified risk. Part of the due diligence process is the ongoing verification of existing business partners against relevant databases and valid sanctions lists. The Group continuously develops its due diligence and monitoring processes.

The relevant employees of the Mercedes-Benz Group will be informed and trained regarding the requirements for business partners and the associated selection processes. With its Business Partner Standards, the Mercedes-Benz Group explains its ethical principles and the associated expectations of its business partners. The Business Partner Standards apply to all business partners worldwide.

The Mercedes-Benz Group's Responsible Sourcing Standards (RSS) summarize all requirements for responsible supplier conduct, including those relating to working conditions, human rights, the environment, as well as business ethics and compliance. The RSS are derived, among other things, from internationally recognized standards, the Integrity Code, and the Principles of Social Responsibility and Human Rights. These standards form the basis for business relationships with suppliers worldwide. Mercedes-Benz Group's direct suppliers are required to adhere to these sustainability standards and communicate them to their employees and, to the best of their ability, to their own suppliers. Furthermore, they are expected to monitor compliance

within their business processes and sphere of influence. The Mercedes-Benz Group supports this with targeted information and training.

Organizational embedding

The topics of integrity, compliance and legal are bundled in the Integrity, Governance & Sustainability executive division of Mercedes-Benz Group AG. Basic information on responsibilities regarding sustainability topics of the Mercedes-Benz Group is explained in the chapter "Governance" under "[Tasks and responsibilities of the Board of Management and Supervisory Board with regard to sustainability](#)".



Compliance with laws and regulations

The Mercedes-Benz Group aims to promote compliance with laws and regulations and reduce associated risks through its Compliance Management System (CMS). The CMS includes basic principles and measures to promote compliant behaviour and is applied worldwide.

The measures are defined by the compliance organization together with the respective departments and shall take business requirements into account in an appropriate manner. The implementation and supervisory responsibility lies with the management of the respective company.

The main focus of compliance activities is to combat corruption, maintain and promote fair competition and ensure compliance with product requirements throughout the entire product life cycle.

Furthermore, the activities include respecting and upholding human rights, handling data responsibly, complying with export restrictions as well as personal and goods-related economic and financial sanctions, and preventing money laundering and terrorist financing.

The Mercedes-Benz Group uses the compliance risk assessment to systematically review its Group companies and central departments in order to reduce compliance risks. For this purpose, it draws on a wide range of data such as revenue, business models and relationships with business partners.

The compliance programme includes measures to reduce compliance risks. These are described in the following sections and chapters.

The Mercedes-Benz Group regularly reviews the measures in its CMS and analyses whether they are appropriate and effective. This is carried out, for example, using internal performance indicators. To determine these indicators, the Mercedes-Benz Group verifies, among other things, compliance with formal requirements and the completeness of the content. It also considers the findings from internal and independent external audits. The relevant management bodies are informed of the monitoring results.

The Mercedes-Benz Group adapts its CMS to new legal requirements, changed risks, or insights gained from monitoring.

Organizational embedding

The Chief Compliance Officer (CCO) reports directly to the Board Member for Integrity, Governance & Sustainability of Mercedes-Benz Group AG and to the Audit Committee of its Supervisory Board. Basic information on responsibilities regarding sustainability topics of the Mercedes-Benz Group is explained in the chapter “Governance” under [“Tasks and responsibilities of the Board of Management and Supervisory Board with regard to sustainability”](#).

Prevention of corruption and bribery

The Mercedes-Benz Group is committed to combatting corruption and fulfils its obligations in accordance with applicable laws, regulations, and its corporate principles. The Group adheres to the principles of the UN Global Compact.

The Mercedes-Benz Group’s corruption prevention programme is based on its Compliance Management System (CMS). External information, such as Transparency International’s Corruption Perceptions Index, is incorporated into the Compliance Risk Assessment.

Increased corruption risks arise in connection with sales activities in high-risk countries. The Mercedes-Benz Group conducts risk-based checks of all potential and existing sales partners as part of its Sales Business Partner Due Diligence process. Further information is described in the chapter [“Expectations of business partners”](#).



The Mercedes-Benz Group provides its administrative staff with regular and ad-hoc training on integrity and compliance topics. This includes, among others, the prevention of corruption and bribery. Further information can be found in the section [“Training actions”](#).

All suspected cases of corruption must be reported via the Whistleblower System Business & People Protection Office (BPO). The investigation and prosecution of potential corruption allegations is carried out in accordance with the Whistleblower System BPO process, which is described in the section [“Reporting of legal and rule violations”](#) of this chapter.

During the reporting year, as in the previous year, there were no convictions for violations of corruption and bribery regulations within the Mercedes-Benz Group, nor any related fines.

Data Compliance

The Mercedes-Benz Group’s Data CMS supports the Group in implementing its actions to comply with data protection requirements in a systematic and risk-based manner. This takes into account the applicable local data protection laws as well as the internal global data protection standards.

Dealing with data breaches

The Mercedes-Benz Group handles data protection incidents via a central reporting process. Data breaches can be reported worldwide around the clock, by phone or email. Employees and contractors are urged to report all potential data breaches. The Chief Officer Corporate Data Protection and their team is also available as a point of contact for customers with data protection concerns. The contact details are publicly available.

Within the scope of the General Data Protection Regulation (GDPR), reports of data breaches are handled by Corporate Data Protection. They are supported in their on-site investigation by a local Incident Support team. In Group entities outside the scope of the GDPR, the local Incident Support team takes over further processing. The results must be provided to Corporate Data Protection for documentation purposes.

Antitrust Compliance

The group-wide Antitrust Compliance Program is based on national and international standards to ensure fair competition. It includes a globally valid Group standard that defines how antitrust issues are to be assessed. In addition to the central legal and compliance department of the Mercedes-Benz Group AG, local legal and compliance advice is also available to the global divisions. Employees receive additional support through individual advice, guides and toolkits.

Prevention of money laundering and terrorist financing

The Mercedes-Benz Group defines the prevention and combatting of money laundering and terrorist financing as a central compliance requirement in its Integrity Code. The Group has established a two-pillar model (goods trade and financial services), which is intended to take into account the different regulatory requirements in the area of goods trade on the one hand and the area of financial services on the other. Through anti-money laundering customer checks (Know Your Customer – KYC), applicable sanctions lists and goods-related restrictions are reviewed, and actions are taken to prevent money laundering and terrorist financing. This is intended to prevent supranational and national sanctions and goods-related embargoes from being violated or circumvented. The target is to combat activities by third parties that give rise to suspicion of money laundering, terrorist financing, organized crime and other economic crime.

Trade Compliance – Export Control and Sanctions Compliance

In its Trade Compliance department, the Mercedes-Benz Group has brought together the Center of Competence for Export Control and Sanctions Compliance. In a dynamic environment, the department’s task is to implement applicable export restrictions and



economic and financial sanctions related to people and goods. In doing so, it takes into account applicable national and supranational sanctions lists and embargoes.

The group-wide policies on export control and sanctions compliance define suitable actions and processes to comply with goods-related restrictions and applicable sanctions regulations, including their systematic review. The Mercedes-Benz Group continuously analyses and evaluates the extent to which further actions are necessary to minimize risk and continuously develops these methods and processes.

Social Compliance

With its in-house Human Rights Respect System, the Mercedes-Benz Group addresses human rights risks within its own business operations and supply chains. Through its Social Compliance Management System, the Mercedes-Benz Group identifies and addresses, in particular, those human rights risks that may arise among the employees of its own Group companies. Workers rights are addressed systematically and on a risk basis through the Social CMS. Using recognized country risk indices and the respective business model, the Mercedes-Benz Group first determines the abstract human rights risk situation of its Group companies. The focus is on the key risk areas identified for the Group companies, in particular workers rights, diversity and non-discrimination as well as security. Based on the Principles of Social Responsibility and Human Rights,

which were updated in this reporting year, specific human rights risks are identified in direct exchange with the responsible compliance departments and risk-specific packages of actions for prevention are derived.

Further information on human rights due diligence in the supply chain is described in the “Social information” under the chapter [“Workers in the value chain”](#).

Training actions

Employees receive training courses on compliance topics tailored to their specific tasks and roles.

For example, administrative employees (full- and part-time) of the Mercedes-Benz Group AG and consolidated companies have access to a web-based, target-group-specific training programme. This includes a mandatory basic training that covers integrity as well as compliance topics such as corruption prevention. This training is assigned to all administrative employees, including members of the Board of Management. In addition, there are specific modules for managers and modules on particular compliance topics. The respective modules are automatically assigned to employees upon hiring, promotion, or transfer to a specific role. Employees are required to complete the web-based training programme regularly every three years; participation is voluntary for employees in production and production-related operations.

The percentage of employees who were assigned the basic training since the last rollout in 2023 and who have successfully completed it is 98,45% (2024: 98,72 %). A total rate of 100% cannot be achieved because, among other reasons, the training is continuously assigned to newly hired employees and the training period had not expired for all learners by the cut-off date of 31 December 2025.

With web-based central and local communication and training actions, the Mercedes-Benz Group raises awareness among its employees, across the Group and on the basis of risk, regarding topics such as competition and antitrust law, as well as corruption prevention. Local compliance contacts and legal departments within the Group companies conduct additional training courses.

The Mercedes-Benz Group regularly reviews training needs, which are determined through a needs assessment, makes adjustments and conducts evaluations.

Reporting of legal and rule violations

The Whistleblower System Business & People Protection Office (BPO) enables employees and external whistleblowers worldwide to report legal and rule violations. It accepts reports around the clock, which can be sent by mail or via a protected reporting channel. In addition, a toll-free hotline is available in over 20 countries worldwide. In Germany, whistleblowers have additional contact points such as an external neutral intermediary and other external reporting channels (for example the federal reporting office at the Federal Office of Justice, the Federal Financial Supervisory Authority (BaFin) whistleblower office and the whistleblower system of the Federal Cartel Office). Reports can also be submitted anonymously, if permitted by local laws. By reporting to the Whistleblower System BPO, the Mercedes-Benz Group is made aware of possible risks. This allows it to avert damage to the Group, its employees and third parties, as well as protect people harmed by misconduct. A globally applicable Group policy regulates the procedure and the corresponding responsibilities. The Whistleblower System BPO thus ensures a transparent and fair procedure that takes into account both the protection of the whistleblower and the principle of proportionality for the persons affected by the allegation. The Group policy also sets out the standard by which the Mercedes-Benz Group assesses violations of the rules and decides on consequences.

The Whistleblower System BPO carries out a risk-based initial assessment for each new report, taking into account the four-eyes principle. If the Whistleblower System BPO classifies a report 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. All newly created, ongoing and completed high risk cases are reported quarterly to the Executive Board and the Audit Committee of the Supervisory Board of Mercedes-Benz Group AG. 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. In the case of criminal offences, the Mercedes-Benz Group reserves the right to file criminal charges. The Mercedes-Benz Group cooperates fully with the authorities in this regard.

The Whistleblower System BPO passes on information on all other violations with an expected risk to the responsible departments. This department follows up on the information and investigates it independently. This includes, for example, violations of policies and guidelines, theft, fraud or undue enrichment with a value of less than €100,000. The anonymity of the whistleblower is also guaranteed here, if permitted by local laws.

The BPO operates in accordance with applicable EU legislation. If whistleblowers, or third parties associated with the whistleblower are disadvantaged or suffer reprisals as a result of their report, they can contact the BPO. Any discrimination or intimidation will be addressed with employment-related actions in accordance with applicable law.

In order to keep awareness and trust in the Whistleblower System BPO on a high level amongst employees, the Mercedes-Benz Group continually provides extensive information materials in various languages through various communication actions. Furthermore, the BPO engages with employees through formats such as dialogue events, roadshows, presentations and training courses. On a quarterly basis, the BPO provides anonymized case studies and regularly informs employees about the type and number of reported violations. The Mercedes-Benz Group uses a global employee survey every two years to assess the effectiveness of its actions. This survey specifically asks questions about awareness of and trust in the BPO.



Political influence and the representation of interests

Decarbonization is an important strategic core element for the Mercedes-Benz Group. External Affairs supports and advances the diverse efforts of decarbonization initiatives ranging from the electrification of the vehicle fleet to the decarbonization of the supply chain, and actively points out necessary framework conditions and impacts as part of the political representation of interests.

The Mercedes-Benz Group monitors the effectiveness of its policies and actions using qualitative indicators and internal processes.

The External Affairs department is the central coordination point for responsible political advocacy at the Mercedes-Benz Group. In order to represent its interests and at its locations worldwide, the Mercedes-Benz Group seeks dialogue with representatives of governments, policy and authorities. External Affairs falls under the responsibility of the Chairman of the Board of Management of Mercedes-Benz Group AG. In addition, the External Affairs department's activities and analyses are a regular part of the reports of the Board of Management of Mercedes-Benz Group AG to its Supervisory Board. The Head of the department is a permanent member of the Group Sustainability Committee (GSC) and supports the committee's work on political issues. External Affairs also closely coordinates with the Board of Management of Mercedes-Benz Group AG and the specialist departments on issues

relating to political advocacy. To this end, the department organizes the meetings of the Governmental Affairs Committees for various executive divisions and specialist departments. The meetings take place several times a year and on an ad hoc basis. There is an exchange with the Advisory Board for Integrity and Sustainability on a topic-related basis.

The members of the following administrative, management and supervisory bodies which are responsible for overseeing the political representation of interests at the Mercedes-Benz Group were audited with regard to the employment of individuals who held a comparable position in public administration in the two years prior to their appointment: Board of Management and Supervisory Board of Mercedes-Benz Group AG, Group Sustainability Committee, External Affairs. The audit showed that the Group employs one individual in the External Affairs department who held a report-relevant position in public administration up to 2 years prior to the commencement of their employment at the Mercedes-Benz Group.

The relevant information on the political representation of interests of the Mercedes-Benz Group is entered in the EU Transparency Register (registration number: 2349218828-41), in the German Lobby Register (registration number: R002034) and in the Transparency Register of the State Parliament of Baden-Württemberg.

The responsible handling of contributions to political recipients is regulated in internal policies at the Mercedes-Benz Group. These stipulate that any contributions to political recipients over €50,000 require approval by the Board of Management of the Mercedes-Benz Group AG. Regardless of the amount, contributions to political recipients require approval from the External Affairs department. The Mercedes-Benz Group made no monetary or non-monetary contributions to political parties in 2025. Donations and sponsorships through which political influence is possible are listed in the following table. Donations in kind were monetized; they are included in the amounts shown.

Donations and sponsorships with possible political influence

	2025	2024
in €		
Donations	3,026,624	2,895,188
Europe ¹	3,020,709	2,892,852
North America	5,381	-
Asia	534	2,336
Other markets	-	-
Sponsorships	855,685	1,283,097
Europe	153,160	374,881
North America	42,031	192,771
Asia ¹	645,794	672,742
Other markets	14,700	42,703

¹ Due to a reassessment of contributions as potential political influence, the amounts for 2024 were adjusted. The donation amount for Europe increased by €1,620,000. The sponsorship amount for Asia by €582,624.



The Mercedes-Benz Group pursues transparent political advocacy and is a reliable advisor to political decision-makers. Through its political advocacy, the Group is helping to promote and accelerate the transformation and the decarbonization through electrified vehicles. This includes, for example, the commitment to expanding the charging infrastructure, which is crucial for customer acceptance of electrified vehicles.

However, if the business fundamentals of the Mercedes-Benz Group are affected by external factors, the political representation of interests will also advocate for a pragmatic adjustment of tools for achieving the CO₂ fleet targets. The Group's position is that, in recognition of technological neutrality, all drive technologies such as plug-in hybrids, range extenders or highly efficient combustion engines that contribute to a CO₂ reduction should be utilized. Any additional emissions of the new vehicle fleet can be compensated by faster decarbonization of fuels and fleet renewal as well as by decarbonization measures in the supply chain, so that the long-term CO₂ targets for transport can be achieved. In this context, the political representation of interests is also advocating for tax benefits for battery-electric vehicles and plug-in hybrids, to support the ramp-up of electromobility.



Index of disclosure requirements

The following index shows where the disclosure requirements according to ESRS can be found in the Sustainability Statement. References to the general section of the Management Report or the Remuneration Report are indicated in black in the index. This information, provided by reference, is an integral part of the Sustainability Statement.

Disclosure requirement	Reference
ESRS 2 General disclosures	
BP-1	General basis for preparation of the sustainability statement General information > Basis of preparation of the sustainability reporting
BP-2	Disclosures in relation to specific circumstances General information > Basis of preparation of the sustainability reporting
GOV-1	The role of the administrative, management and supervisory bodies General information > Governance > The role of the administrative, management and supervisory bodies General information > Governance > Composition of the Board of Management and the Supervisory Board Risk and Opportunity Report > Risk and opportunity management system and internal control system
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies General information > Governance > Tasks and responsibilities of the Board of Management and the Supervisory Board with regard to sustainability
GOV-3	Integration of sustainability-related performance in incentive schemes General information > Governance > Integration of sustainability-related performance in incentive schemes Remuneration report > Remuneration components of the Board of Management in the financial year 2025
GOV-4	Statement on due diligence General information > Statement on due diligence
GOV-5	Risk management and internal controls over sustainability reporting General information > Governance > Internal controls and risks of sustainability reporting
SBM-1	Strategy, business model and value chain General information > Strategy > Strategy, business model and value chain Corporate Profile > Business model > Overview
SBM-2	Interests and views of stakeholders General information > Strategy > Interests and views of stakeholders
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model General information > Strategy > Material topics, impacts, risks and opportunities Environmental information > Climate change > Material impacts, risks and opportunities and their interaction with strategy and business model Environmental information > Pollution > Material impacts, risks and opportunities and their interaction with strategy and business model Environmental information > Water and marine resources > Material impacts, risks and opportunities and their interaction with strategy and business model Environmental information > Biodiversity and ecosystems > Material topics and their interaction with strategy and business model Environmental information > Resource use and circular economy > Material impacts, risks and opportunities and their interaction with strategy and business model Social information > Own Workforce > Material impacts, risks and opportunities and their interaction with strategy and business model Social information > Workers in the value chain > Material topics and their interaction with strategy and business model Social information > Affected Communities > Material topics and their interaction with strategy and business model Social information > Consumers and end-users > Material topics and their interaction with strategy and business model Governance-Information > Material impacts, risks and opportunities and their interaction with strategy and business model



Disclosure requirement	Reference
IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities	General information > Process for materiality assessment
IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Appendix (IRO-2 Index) > Index of disclosure requirements
Environmental information, ESRS E1 - Climate Change	
ESRS 2, GOV-3 Integration of sustainability-related performance in incentive schemes	Remuneration report > Remuneration components of the Board of Management in the 2025 financial year
E1-1 Transition plan for climate change mitigation	Environmental information > Climate change > Transition plan for climate change mitigation
ESRS 2, SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	Environmental information > Climate change > Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS 2, IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities	General information > Materiality assessment procedures > Special considerations for identification of material climate-related impacts, risks and opportunities
E1-2 Policies related to climate change mitigation and adaptation	Environmental information > Climate change > Climate change mitigation in the upstream value chain > Policies Environmental information > Climate change > Climate change mitigation in own business activities > Policies Environmental information > Climate change > Climate change mitigation in the downstream value chain > Policies
E1-3 Actions and resources in relation to climate change policies	Environmental information > Climate change > Climate change mitigation in the upstream value chain > Actions Environmental information > Climate change > Climate change mitigation in own business activities > Actions Environmental information > Climate change > Climate change mitigation in the downstream value chain > Actions
E1-4 Targets related to climate change mitigation and adaptation	Environmental information > Climate change > Ambition
E1-5 Energy consumption and mix	Environmental information > Climate change > Metrics - Energy consumption
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	Environmental information > Climate change > Metrics - Gross greenhouse gas emissions
E1-7 GHG removals and GHG mitigation projects financed through carbon credits	Environmental information > Climate change > Metrics > CO₂ compensation and removals
E1-8 Internal carbon pricing	Environmental information > Climate change > Metrics > Internal carbon pricing
Environmental information, ESRS E2 - Pollution	
ESRS 2, IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	General information > Process for materiality assessment
E2-1 Policies related to pollution	Environmental information > Pollution > Policies
E2-2 Actions and resources related to pollution	Environmental information > Pollution > Actions
E2-4 Pollution of air, water and soil	Environmental information > Pollution > Metrics > Emissions to air



Disclosure requirement	Reference
Environmental information, ESRS E3 – Water and marine resources	
ESRS 2, IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities General information > Process for materiality assessment
E3-1	Policies related to water and marine resources Environmental information > Water and marine resources > Policies
E3-2	Actions and resources related to water and marine resources Environmental information > Water and marine resources > Actions
E3-3	Targets related to water and marine resources Environmental information > Water and marine resources > Targets
E3-4	Water consumption Environmental information > Water and marine resources > Metrics > Water consumption and supply
Environmental information, ESRS E4 – Biodiversity and ecosystems	
ESRS 2.17	Application of the simplification “Quick Fix” related to biodiversity and ecosystems General Information > Strategy > Material topics, impacts, risks and opportunities Environmental information > Biodiversity and ecosystems > Material topics and their interaction with strategy and business model Environmental information > Biodiversity and ecosystems > Policies Environmental information > Biodiversity and ecosystems > Actions
Environmental information, ESRS E5 – Resource use and circular economy	
ESRS 2, IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities General information > Process for materiality assessment
E5-1	Policies related to resource use and circular economy Environmental information > Resource use and circular economy > Policies
E5-2	Actions and resources related to resource use and circular economy Environmental information > Resource use and circular economy > Actions
E5-3	Targets related to resource use and circular economy Environmental information > Resource use and circular economy > Targets
E5-4	Resource inflows Environmental information > Resource use and circular economy > Metrics > Resource inflows
E5-5	Resource outflows Environmental information > Resource use and circular economy > Metrics > Quantities of waste

Disclosure requirement	Reference
Social information, ESRS S1 – Own Workforce	
ESRS 2, SBM-2 Interests and views of stakeholders	General information > Strategy > Interests and views of stakeholders
ESRS 2, SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	Social information > Own workforce > Material impacts, risks and opportunities and their interaction with strategy and business model
S1-1 Policies related to own workforce	Social information > Own Workforce > Cross-cutting policies Social information > Own Workforce > Working conditions > Responsible transformation > Policies Social information > Own Workforce > Working conditions > Training and further qualification > Policies Social information > Own Workforce > Working conditions > Remuneration and benefits > Policies Social information > Own Workforce > Working conditions > Flexible working models > Policies Social information > Own Workforce > Working conditions > Occupational health and safety > Policies Social information > Own Workforce > Equal treatment and equal opportunities > Policies
S1-2 Processes for engaging with own workers and workers' representatives about impacts	Social information > Own Workforce > Employee representation and social dialogue > Policies
S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns	Social information > Own Workforce > Remediation of negative impacts and channels for own workforce to raise concerns
S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Social information > Own Workforce > Working conditions > Responsible transformation > Actions Social information > Own Workforce > Working conditions > Training and further qualification > Actions Social information > Own Workforce > Working conditions > Remuneration and benefits > Actions Social information > Own Workforce > Working conditions > Flexible working models > Actions Social information > Own Workforce > Working conditions > Occupational health and safety > Actions Social information > Own Workforce > Equal treatment and equal opportunities > Actions
S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Social information > Own Workforce > Working conditions > Training and further qualification > Targets Social information > Own Workforce > Working conditions > Occupational health and safety > Targets Social information > Own Workforce > Equal treatment and equal opportunities > Targets
S1-6 Characteristics of the undertaking's employees	Social information > Own Workforce > Characteristics of the Mercedes-Benz Group's Employees
S1-8 Collective bargaining coverage and social dialogue	Social information > Own Workforce > Working conditions > Employee representation and engaging with own workforce
S1-9 Diversity metrics	Social information > Own Workforce > Working conditions > Equal treatment and equal opportunities > Metrics
S1-10 Adequate wages	Social information > Own Workforce > Working conditions > Remuneration and benefits > Metrics
S1-14 Health and safety metrics	Social information > Own Workforce > Working conditions > Occupational health and safety > Metrics
S1-16 Remuneration metrics (pay gap and total remuneration)	Social information > Own Workforce > Working conditions > Remuneration and benefits > Metrics
S1-17 Incidents, complaints and severe human rights impacts	Social information > Own Workforce > Remediation of negative impacts and channels for own workforce to raise concerns



Disclosure requirement		Reference
Social information, ESRS S2 – Workers in the value chain		
ESRS 2.17	Application of the simplification “Quick Fix” related to value chain workers	General Information > Strategy > Material topics, impacts, risks and opportunities Social information > Workers in the value chain > Material topics and their interaction with strategy and business model Social information > Workers in the value chain > Policies Social information > Workers in the value chain > Actions Social information > Workers in the value chain > Targets
Social information, ESRS S3 – Affected communities		
ESRS 2.17	Application of the simplification “Quick Fix” related to affected communities	General Information > Strategy > Material topics, impacts, risks and opportunities Social information > Affected Communities > Material topics and their interaction with strategy and business model Social information > Affected Communities > Social Engagement > Policies Social information > Affected Communities > Rights of affected communities and indigenous peoples > Policies Social information > Affected Communities > Social Engagement > Actions Social information > Affected Communities > Rights of affected communities and indigenous peoples > Actions Social information > Affected Communities > Rights of affected communities and indigenous peoples > Targets
Social information, ESRS S4 – Consumers and end-users		
ESRS 2.17	Application of the simplification “Quick Fix” related to consumers and end-users	General Information > Strategy > Material topics, impacts, risks and opportunities Social information > Consumers and end-users > Material topics and their interaction with strategy and business model Social information > Consumers and end-users > Customers in focus > Policies Social information > Consumers and end-users > Traffic Safety > Policies Social information > Consumers and end-users > Customers in focus > Actions Social information > Consumers and end-users > Traffic Safety > Actions Risk and Opportunity Report > Information technology risks and opportunities
Governance information, ESRS G1 – Business conduct		
ESRS 2, GOV-1	The role of the administrative, management and supervisory bodies	General information > Governance > The role of the administrative, management and supervisory bodies
ESRS 2, IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	General information > Process for materiality assessment
G1-1	Business conduct policies and corporate culture	Governance information > Corporate culture
Company-specific	Compliance with laws and regulations	Governance information > Compliance with laws and regulations
G1-3	Prevention and detection of corruption and bribery	Governance information > Compliance with laws and regulations > Prevention of corruption and bribery
G1-4	Incidents of corruption or bribery	Governance information > Compliance with laws and regulations > Prevention of corruption and bribery
G1-5	Political influence and lobbying activities	Governance information > Political influence and the representation of interests



List of data points that derive from other EU legislation

The table below contains all data points derived from other EU regulations as listed in ESRS 2 Annex B, indicating where the data points can be found in the report and which data points have been classified as “not material” or “not applicable” or where the “phase-in” option has been used.

Disclosure requirement		Data point	SFDR reference ¹	Pillar 3 reference ²	Benchmark regulation reference ³	EU Climate Law reference ⁴	Reference in the report
ESRS 2, GOV-1	21(d)	Board's gender diversity paragraph	x		x		General information > Governance > Diversity of the Board of Management and the Supervisory Board
ESRS 2, GOV-1	21 (e)	Percentage of board members who are independent			x		General information > Governance > Independence of the Supervisory Board
GOV-4	30	Statement on due diligence	x				General information > Statement on due diligence
SBM-1	40 (d) i.	Involvement in activities related to fossil fuel activities paragraph	x	x	x		Not applicable
SBM-1	40 (d) ii.	Involvement in activities related to chemical production paragraph	x		x		Not applicable
SBM-1	40 (d) iii.	Involvement in activities related to controversial weapons	x		x		Not applicable
SBM-1	40 (d) iv.	Involvement in activities related to cultivation and production of tobacco			x		Not applicable
E1-1	14	Transition plan to reach climate neutrality by 2050				x	Environmental information > Climate change > Transition plan for climate change mitigation
E1-1	16 (g)	Undertakings excluded from EU Paris-aligned benchmarks		x	x		Environmental information > Climate change > Transition plan for climate change mitigation
E1-4	34	GHG emission reduction targets	x	x	x		Environmental information > Climate change > Ambition
E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x				Environmental information > Climate change > Metrics > Energy consumption
E1-5	37	Energy consumption and mix	x				Environmental information > Climate change > Metrics > Energy consumption
E1-5	40–43	Energy intensity associated with activities in high climate impact sectors	x				Environmental information > Climate change > Metrics > Energy consumption
E1-6	44	Gross Scopes 1, 2, 3 and Total GHG emissions	x	x	x		Environmental information > Climate change > Metrics > Gross greenhouse gas emissions
E1-6	53–55	Gross GHG emissions intensity	x	x	x		Environmental information > Climate change > Metrics > Gross greenhouse gas emissions

Footnotes are shown at the end of the table.



Disclosure requirement		Data point	SFDR reference ¹	Pillar 3 reference ²	Benchmark regulation reference ³	EU Climate Law reference ⁴	Reference in the report
E1-7	56	GHG removals and carbon credits				x	Environmental information > Climate change > Metrics > CO₂ compensation and removals
E1-9	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk paragraph		x			Phase-In
E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph		x			Phase-In
E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			x		Phase-In
E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	x				Environmental information > Pollution > Metrics > Emissions to air
E3-1	9	Water and marine resources	x				Environmental information > Water and marine resources > Policies
E3-1	13	Dedicated policy paragraph	x				Not applicable
E3-1	14	Sustainable oceans and seas	x				Not material
E3-4	28 (c)	Total water recycled and reused	x				Environmental information > Water and marine resources > Metrics > Water consumption and supply
E3-4	29	Total water consumption in m ³ per net revenue in own operations	x				Environmental information > Water and marine resources > Metrics > Water consumption and supply
ESRS 2 SBM-3 E4	16 (a) i.	Activities negatively affecting biodiversity sensitive areas	x				Phase-in ("Quick Fix")
ESRS 2 SBM-3 E4	16 (b)	Material negative impacts with regards to land degradation, desertification or soil sealing have been identified	x				Phase-in ("Quick Fix")
ESRS 2 SBM-3 E4	16 (c)	Own operations affect threatened species	x				Phase-in ("Quick Fix")
E4-2	24 (b)	Sustainable land / agriculture practices or policies	x				Phase-in ("Quick Fix")
E4-2	24 (c)	Sustainable oceans / seas practices or policies	x				Phase-in ("Quick Fix")
E4-2	24 (d)	Policies to address deforestation	x				Phase-in ("Quick Fix")
E5-5	37 (d)	Non-recycled waste	x				Environmental information > Resource use and circular economy > Metrics > Quantities of waste

Footnotes are shown at the end of the table.



Disclosure requirement		Data point	SFDR reference ¹	Pillar 3 reference ²	Benchmark regulation reference ³	EU Climate Law reference ⁴	Reference in the report
E5-5	39	Hazardous waste and radioactive waste	x				Environmental information > Resource use and circular economy > Metrics > Quantities of waste
ESRS 2 SBM3 S1	14 (f)	Risk of incidents of forced labour	x				Social information > Own Workforce > Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS 2 SBM3 S1	14 (g)	Risk of incidents of child labour	x				Social information > Own Workforce > Material impacts, risks and opportunities and their interaction with strategy and business model
S1-1	20	Human rights policy commitments	x				Social information > Own Workforce > Cross-cutting policies > Social Responsibility and Human Rights
S1-1	21	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8			x		Social information > Own Workforce > Cross-cutting policies > Social Responsibility and Human Rights
S1-1	22	Processes and measures for preventing trafficking in human beings	x				Not material
S1-1	23	Workplace accident prevention policy or management system	x				Social information > Own Workforce > Working conditions > Occupational health and safety > Policies
S1-3	32 (c)	Grievance/complaints handling mechanisms	x				Social information > Own Workforce > Remediation of negative impacts and channels for own workforce to raise concerns
S1-14	88 (b), 88 (c)	Number of fatalities and number and rate of work-related accidents	x		x		Social information > Own Workforce > Working conditions > Occupational health and safety > Metrics
S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	x				Phase-In
S1-16	97 (a)	Unadjusted gender pay gap	x		x		Social information > Own Workforce > Working conditions > Remuneration and benefits > Metrics
S1-16	97 (b)	Excessive CEO pay ratio	x				Social information > Own Workforce > Working conditions > Remuneration and benefits > Metrics
S1-17	103 (a)	Incidents of discrimination	x				Social information > Own Workforce > Remediation of negative impacts and channels for own workforce to raise concerns
S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD	x		x		Not applicable
ESRS 2 SBM-3 S2	11 (b)	Significant risk of child labour or forced labour in the value chain	x				Phase-in ("Quick Fix")
S2-1	17	Human rights policy commitments	x				Phase-in ("Quick Fix")
S2-1	18	Policies related to value chain workers	x				Phase-in ("Quick Fix")
S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	x		x		Phase-in ("Quick Fix")

Footnotes are shown at the end of the table.



Disclosure requirement		Data point	SFDR reference ¹	Pillar 3 reference ²	Benchmark regulation reference ³	EU Climate Law reference ⁴	Reference in the report
S2-1	19	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8			x		Phase-in ("Quick Fix")
S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	x				Phase-in ("Quick Fix")
S3-1	16	Human rights commitments	x				Phase-in ("Quick Fix")
S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	x		x		Phase-in ("Quick Fix")
S3-4	36	Human rights issues and incidents	x				Phase-in ("Quick Fix")
S4-1	16	Policies related to consumers and end-users	x				Phase-in ("Quick Fix")
S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x		x		Phase-in ("Quick Fix")
S4-4	35	Human rights issues and incidents	x				Phase-in ("Quick Fix")
G1-1	10 (b)	United Nations Convention against Corruption	x				Governance information > Compliance with laws and regulations > Prevention of corruption and bribery
G1-1	10 (d)	Protection of whistle-blowers	x				Not applicable
G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	x		x		Governance information > Compliance with laws and regulations > Prevention of corruption and bribery
G1-4	24 (b)	Standards of anti-corruption and anti-bribery	x				Governance information > Compliance with laws and regulations > Prevention of corruption and bribery

¹ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).

² Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ. L 176, 27.6.2013, p. 1).

³ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ. L 171, 29.6.2016, p. 1).

⁴ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ("European Climate Law") (OJ. L 243, 9.7.2021, p. 1).



Combined Non-Financial Declaration of the Mercedes-Benz Group and Mercedes-Benz Group AG

The use of the European Sustainability Reporting Standards (ESRS) as a framework pursuant to Section 315c Paragraph 3 in conjunction with Section 289d of the German Commercial Code (HGB) for the Non-Financial Declaration of the Mercedes-Benz Group is due to the importance of the ESRS as reporting standards for sustainability reporting adopted by the European Commission.

The following contents of the **Non-Financial Declaration of the Mercedes-Benz Group** in accordance with the provisions of Sections 315b and 315c HGB in conjunction with Sections 289b – 289e HGB are described in the respective chapters mentioned:

- The materiality assessment in the chapter [“Process for materiality assessment”](#); the materiality assessment basically covers the requirement for the Non-Financial Declaration in accordance with the methodological requirement of the CSRD and ESRS.
- The business model of the Mercedes Benz Group in the chapter “General information” under [“Strategy, business model and value chain”](#).

- Environmental issues with the corresponding management policies, targets, actions and results in the chapter [“Environmental information”](#).
- Employee issues with the corresponding management policies, targets, actions and results in the chapter [“Own Workforce”](#) and with regard to employees in the supply chain in the chapter [“Workers in the value chain”](#).
- Social issues with the corresponding management policies, targets, actions and results in the chapters [“Affected Communities”](#), [“Consumers and end-users”](#) and [“Traffic safety”](#).
- Corruption and bribery with the corresponding management policies, actions and results in the chapter [“Governance information”](#).
- Information on respect for human rights with the corresponding targets, strategies, policies, actions and results in the chapter [“Social information”](#).
- The most significant non-financial performance indicators can be found in the chapter Corporate Profile under [“Key performance indicators”](#).

Regarding the contents of the **Non-Financial Declaration for Mercedes-Benz Group AG** in accordance with Sections 289b – 289e HGB, we refer to the contents of the Group listed above. Mercedes-Benz Group AG is the parent company of the Mercedes-Benz Group. The policies, actions and targets at Group level are also generally pursued at the level of the parent company.

No framework is used for the parent company’s Non-Financial Declaration, as the content refers to the Non-Financial Declaration of the Mercedes-Benz Group, which was prepared in accordance with the ESRS as a framework.



The new Mercedes-Maybach SL Monogram Series

Mercedes-Maybach SL 680 Monogram Series | Energy consumption (combined): 13.6 l/100km, Total CO₂-emissions (combined): 309.0 g/km, CO₂-class (combined): G



DECLARATION ON CORPORATE GOVERNANCE

226	Declaration on Corporate Governance	231	Composition and working method of the Supervisory Board and its committees
226	Declaration of Compliance with the German Corporate Governance Code	236	German Act on the Equal Participation of Women and Men in Leadership Positions
227	Remuneration report, remuneration system	238	Overall profiles of requirements for the composition of the Board of Management and the Supervisory Board
227	Essential principles and practices of corporate governance	244	Shareholders and General Meeting
230	Composition and working method of the Board of Management		



Declaration on Corporate Governance

In the Declaration on Corporate Governance pursuant to Sections 289 f, 315d of the German Commercial Code (HGB), the Board of Management and the Supervisory Board explain the corporate governance of the company in the 2025 reporting year. The statements are applicable to Mercedes-Benz Group AG and the Group, unless indicated otherwise below. Pursuant to Section 317 Subsection 2 Sentence 6 HGB, the review of the Declaration on Corporate Governance by the auditor is to be limited to whether the legally required statements were made.

This Declaration on Corporate Governance, as well as the most recent version of the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act on the German Corporate Governance Code, is, in addition to the no longer current declarations of the past five years, available on the website of the company group.mercedes-benz.com/dcg.

Declaration of the Board of Management and Supervisory Board of Mercedes-Benz Group AG on the Compliance with the German Corporate Governance Code according to Section 161 of the German Stock Corporation Act

Since submission of the last Compliance Declaration in December 2024, Mercedes-Benz Group AG has complied with the recommendations of the German Corporate Governance Code in the Code version, dated April 28, 2022 (“Code”), published by the Federal Ministry of Justice and Consumer Protection in the official section of the German Federal Gazette on June 27, 2022, with the exception of Recommendations C.4 and C.5 (Maximum number of Supervisory Board mandates) and will continue to observe the recommendations with the aforesaid deviations in the future.

Maximum number of Supervisory Board mandates (C. 4 and C. 5) According to Recommendation C.4, Supervisory Board members who are not members of any management board of a listed company shall not accept more than a total of five Supervisory Board mandates in non-group listed companies or comparable functions, whereby a mandate as Supervisory Board Chair counts twice. According to Recommen-

dation C.5, members of the Management Board of listed companies shall not have a total of more than two Supervisory Board mandates in non-group listed companies or comparable functions, and shall not accept the Chair of a Supervisory Board in a non-group listed company.

Rather than setting a strict limit, it is more suitable to assess on a case-by-case basis whether the total number of Supervisory Board mandates held by members of the Management Board and Supervisory Board at non-group listed companies and comparable functions appears to be appropriate, in particular because it is not always possible to clearly define the mandates that should be taken into consideration. The individual workload expected as a result of the total number of mandates held may differ from case to case and does not necessarily increase in proportion to their number.

Stuttgart, December 2025

For the Supervisory Board

Dr Martin Bruder Müller
Chairman

For the Board of Management

Ola Källenius
Chairman



Remuneration report, remuneration system

The 2025 remuneration report and the opinion of the auditor pursuant to Section 162 of the German Stock Corporation Act (AktG) are available at group.mercedes-benz.com/remuneration-bom.

The applicable remuneration system for the members of the Board of Management for 2025 pursuant to Section 87a Subsections 1 and 2 Sentence 1 of the German Stock Corporation Act (AktG), which was approved by the Annual General Meeting on 3 May 2023, is also available there. The adjustment to the remuneration system for the members of the Board of Management, decided by the Annual General Meeting on 7 May 2025, took effect on 1 January, 2026.

The resolution on the remuneration of the members of the Supervisory Board pursuant to Section 113 Paragraph 3 of the German Stock Corporation Act, also adopted by the Annual General Meeting on 7 May 2025 with retroactive effect from 1 January 2024, is available at group.mercedes-benz.com/remuneration-sb.

Essential principles and practices of corporate governance

German Corporate Governance Code

Beyond the statutory requirements of German stock corporation, co-determination and capital market legislation, Mercedes-Benz Group AG has complied and continues to comply with the recommendations of the German Corporate Governance Code ("Code") subject to the exceptions from recommendations C.4 and C.5 stated and justified in the Declaration of Compliance (pursuant to Section 161 of the German Stock Corporation Act).

Mercedes-Benz Group AG has fully complied and continues to comply with the suggestions of the Code.

Principles of our business activity

Mercedes-Benz Group is convinced that only those who act in an ethically and legally responsible manner remain successful in the long term – this is especially true in times of upheaval and change. Hence, integrity and compliance are very important to the Mercedes-Benz Group. In order to achieve long-term and sustainable corporate success on this foundation, it is the goal of the Mercedes-Benz Group to ensure that its business operations are in harmony with the interests of the environment and society. The company defines the most important principles in its Integrity Code, which provides orientation for all employees of Mercedes-

Benz Group AG and the Group and assists them in making the right decisions, even in difficult business situations.

The Integrity Code

The Integrity Code applies to all managers and employees of Mercedes-Benz Group AG and the consolidated Group companies worldwide. The policy sets out the core corporate principles for conduct in day-to-day business and the way people deal with each other within the company and with business partners and customers. In addition to respect for the law and the legal system, these corporate principles also include, for example, fairness, transparency, practical diversity, and responsibility. In addition to the corporate principles, the Integrity Code contains, inter alia, regulations regarding the respect and safeguarding of human rights as well as the handling of conflicts of interest, and prohibits corruption in any form whatsoever. It is available on the Internet at group.mercedes-benz.com/compliance/integrity-code.

Principles of Social Responsibility and Human Rights

The Principles of Social Responsibility and Human Rights supplement and specify the principles of human rights and good working conditions in the Integrity Code. They apply to all managers and employees of Mercedes-Benz Group AG and also the consolidated Group companies worldwide. Through the Principles, the Mercedes-Benz Group also commits itself to preventing negative effects on human rights within its own business operations worldwide and at its partner and



supplier companies and to reducing these negative effects and, as far as possible, putting an end to them. The Principles of Social Responsibility and Human Rights can be viewed in various languages at group.mercedes-benz.com/human-rights/principles.

Expectations regarding business partners

The Mercedes-Benz Group also formulates clear requirements for its business partners, because conduct with integrity and in compliance with the rules is a prerequisite for any trust-based cooperative venture. Therefore, when selecting its 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. Further information on the Mercedes-Benz Group's expectations of its business partners can also be found at group.mercedes-benz.com/company/compliance/business-partners.html.

Advisory Board for Integrity and Sustainability

The Mercedes-Benz Group established an Advisory Board for Integrity and Sustainability. The board's members are independent external experts in the fields of environmental and social policy, transport and mobility development, and human rights and ethics and provide the Mercedes-Benz Group with constructive and critical support with issues relating to integrity, sustainability and corporate responsibility. Further information on the Advisory Board for Integrity and Sustainability can be found in the Combined

Management Report in the chapter "[Sustainability Statement](#)" of the 2025 Annual Report.

Internal risk management system, internal control and compliance management system within the Group

The Mercedes-Benz Group has internal control, risk and compliance management systems in place that are commensurate with the size and global presence of the company, the scope of its business operations, and its risk situation, and are geared towards the continuous and systematic management of entrepreneurial risks and opportunities. These processes and systems are subject to continual monitoring in order to remedy the identified weaknesses and continuously improve the processes and systems. Risks and opportunities associated with social and environmental factors are also taken into account. Their identification takes place through the regular risk management process and the materiality assessment in accordance with the requirement of the CSRD and ESRS. Further explanations regarding materiality assessment are available in the Combined Management Report in the chapter "[Sustainability Statement](#)" of the 2025 Annual Report.

The risk management system is part of the overall planning, control and reporting process. This is intended to achieve that the executive management recognizes significant risks at an early stage and can initiate countermeasures in a timely fashion. Corporate Audit conducts targeted audits regarding compliance with legal frameworks and company standards,

initiates appropriate actions as needed, and follows up on these through follow-up activities. Further information on risk management can be found in the Combined Management Report in the chapter "[Risk and Opportunity Report](#)".

In addition to the accounting-related internal control system, the internal control system also includes in particular the Compliance Management System as well as an independent and risk-oriented assessment of the structure and processes of the internal control system by Corporate Audit as part of various process audits. Further explanations of the internal control system are available in the Combined Management Report in the chapter "[Risk and Opportunity Report](#)".

The aim of the Compliance Management System (CMS) is to promote compliance with legislation and policies within the company and among its employees, to prevent misconduct and to systematically reduce compliance risks on the basis of the culture of integrity. Detailed information on the Mercedes-Benz Compliance Management System can be found in the Combined Management Report in the chapter "[Sustainability Statement](#)" of the 2025 Annual Report.



At least once a year, the Audit Committee of the Supervisory Board of Mercedes-Benz Group AG discusses the effectiveness and functionality of the internal control and risk management system, the internal auditing system, and the Compliance Management System with the Board of Management. In each case, these systems and processes or similar ones are also examined with regard to the sustainability risks and opportunities they address, taking into account the strategic sustainability focus areas as well as the ecological and social impact of the business activities conducted by Mercedes-Benz Group AG and the Group. The chairman of the Audit Committee of Mercedes-Benz Group AG shall report back to the Supervisory Board about the work of the committee at the latest at the next meeting of the Supervisory Board. The Supervisory Board of Mercedes-Benz Group AG also deals with the risk management system on the occasion of the audit of the company and Consolidated Financial Statements. The Chairman of the Supervisory Board maintains contact with the Board of Management between meetings of the Supervisory Board, in particular with the Chairman of the Board of Management, in order to discuss issues of risk management and compliance, in addition to the strategy and business development of the Group.

Moreover, the Board of Management regularly informs the Audit Committee and the Supervisory Board about significant risks to the company and the Group.

The Legal Affairs Committee of the Supervisory Board supports the Supervisory Board in the performance of

its duties with regard to the complex proceedings relating to antitrust matters and questions with respect to emissions with which Mercedes-Benz Group AG and its subsidiaries are confronted.

Accounting and auditing

The Mercedes-Benz Group compiles its Consolidated Financial Statements and interim financial reports (mid-year financial report and quarterly financial reports) in accordance with the principles of International Financial Reporting Standards (IFRS) as applicable in the European Union. The Annual Financial Statements of Mercedes-Benz Group AG are compiled in accordance with the accounting provisions of the German Commercial Code (HGB). The Consolidated Financial Statements and the Annual Financial Statements of Mercedes-Benz Group AG are audited by an auditor, and interim financial reports are subject to review by an auditor. The Consolidated Financial Statements and the combined management reports are publicly accessible on the website of the company within 90 days; the interim financial reports are publicly accessible within 45 days after the end of the respective reporting period.

On the basis of the recommendation of the Audit Committee, the Supervisory Board of Mercedes-Benz Group AG submits a proposal to the Annual General Meeting for the appointment of the auditor of the financial statements, the Group auditor of the Consolidated Financial Statements, and the auditor for the review of the interim financial reports.

Before submitting its recommendation for the election proposal to the Annual General Meeting, the Audit Committee of the Supervisory Board obtains a declaration from the proposed auditor as to whether and, if so, which business, financial or personal relationships exist between the auditor and its boards and committees and audit managers on the one hand and the company and members of its boards and committees on the other hand that could give rise to concerns of partiality.

The auditor informs the Supervisory Board of Mercedes-Benz Group AG without delay of any and all findings and occurrences of significance for the duties of the Supervisory Board that come to the attention of the auditor during the performance of the audit. The auditor also informs the Supervisory Board and annotates in the audit report if, during the performance of the audit, the auditor discovers facts that reveal an inaccuracy in the declarations of compliance with the German Corporate Governance Code issued by the Board of Management and the Supervisory Board.

After conducting a selection and proposal procedure in accordance with the EU Audit Regulation to comply with the audit firm's rotation obligation, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, was appointed for the first time as auditor and Group auditor for the 2024 financial year. Since the 2024 financial year, Thomas Tandetzki has been the German Public Auditor responsible for the engagement.



Composition and working method of the Board of Management

Under the German Stock Corporation Act (AktG), Mercedes-Benz Group AG has a dual management system that provides for a strict personnel and functional separation between the Board of Management as the management body and the Supervisory Board as the supervisory body (two-tier board). The Board of Management manages the company, while the Supervisory Board supervises and advises the Board of Management.

Board of Management

In accordance with the articles of association of Mercedes-Benz Group AG, the Board of Management consists of at least two members. The Supervisory Board shall determine the exact number. As of 31 December 2025, the Board of Management consisted of eight members.

Without prejudice to the overall responsibility of the Board of Management, the individual members of the Board of Management of Mercedes-Benz Group AG shall manage their divisions on their own responsibility within the framework of the guidelines adopted by the Board of Management as a whole. Certain matters defined by the Board of Management as a whole shall nevertheless be discussed by the Board of Management as a whole and shall require its approval.

In addition, each member of the Board of Management has the right to demand that any matter he or she deems important be discussed by the Board of Management as a whole or that a decision be made on that matter by the Board as a whole. The work of the Board of Management is coordinated by the chairman of the Board of Management. No committees of the Board of Management were established during the reporting period.

Information about the areas of responsibility and the curricula vitae of the members of the Board of Management is available on the website of Mercedes-Benz Group AG at group.mercedes-benz.com/company/corporate-governance/board-of-management.

The Board of Management manages Mercedes-Benz Group AG and the Group, in consideration of the interests of the shareholders, the employees and the other stakeholders, with the goal of sustainable added value. With the approval of the Supervisory Board, it determines the strategic orientation of the company, which also takes into account long-term economic targets and environmental and social targets and objectives. Along with financial targets, the corporate planning decided on by the Board of Management with the approval of the Supervisory Board as well as the internal control and risk management system established by the Board of Management also address corresponding sustainability-related targets.

The Board of Management is responsible for ensuring compliance with statutory provisions and internal policies within the company, and works to ensure that they are also observed by the Group companies (compliance). It has established a comprehensive Compliance Management System geared to the risk situation of the company. The components of the Compliance Management System also include the BPO (Business & People Protection Office) whistleblowing system, which gives employees and external whistleblowers worldwide the opportunity to report violations of the rules.

The Board of Management and the Supervisory Board cooperate to ensure the well-being of the company in a relationship based on trust. The Board of Management informs the Supervisory Board regularly, comprehensively and in a timely manner about all strategic issues of relevance to the company as a whole, including issues relating to the sustainability strategy, planning, profitability, business development, the situation of the company, the internal control system, the risk management system and compliance. The Supervisory Board has defined the information and reporting duties of the Board of Management in more detail.

For certain types of transactions defined by the Supervisory Board of Mercedes-Benz Group AG, the Board of Management requires the prior approval of the Supervisory Board.



Each member of the Board of Management is bound to serve the interests of the company and is subject to a comprehensive restraint of competition throughout the entire term of their contract. Sideline activities outside the Mercedes-Benz Group also require the approval of the Supervisory Board's Presidential Committee. When making decisions, members of the Board of Management may not pursue personal interests and they may not exploit the company's business opportunities for their own benefit. Members of the Board of Management must disclose without delay to the Chairman of the Supervisory Board and the Chairman of the Board of Management any personal interest they may have in a particular business activity conducted by the company, as well as any and all other conflicts of interest, and they must also report such information to all other members of the Board of Management.

The Board of Management of Mercedes-Benz Group AG has adopted rules of procedure, available on the website of the company at group.mercedes-benz.com/company/corporate-governance which among other things govern the procedure to be followed when adopting resolutions and contain provisions designed to avoid conflicts of interest

Diversity and equal opportunity

The Mercedes-Benz Group is committed to tolerance, openness and fairness, and promotes diversity and equal opportunity through appropriate framework conditions, actions and processes because these values form the basis of an efficient and successful company.

The targeted promotion of women had already been a central focus of attention in diversity management before the German Act on the Equal Participation of Women and Men in Leadership Positions came into force. Independently of the statutory requirements, the company set itself the goal of appointing women to fill at least 30% of senior management positions by 2030. As of 31 December 2025, the proportion of women in senior management positions at the Mercedes-Benz Group worldwide was 26.7% (with reference to the active workforce without holiday workers). Details regarding the statutorily required targets for the proportion of women at the two management levels of Mercedes-Benz Group AG below the Board of Management and their achievement are provided in a separate section of this Declaration on Corporate Governance.

Composition and working method of the Supervisory Board and its committees

Supervisory Board

In accordance with the German Co-Determination Act (MitbestG), the Supervisory Board of Mercedes-Benz Group AG consists of 20 members. Half of them are elected by the shareholders at the General Meeting and half by the employees of the German companies of the Group. Shareholder representatives and employee representatives are by law equally bound to serve the interests of the company.

Curricula vitae of the individual members of the Supervisory Board and their other mandates are published on the Internet at group.mercedes-benz.com/company/corporate-governance/supervisory-board. This information is also updated every year.

The Supervisory Board shall be composed in such manner that its members as a whole are familiar with the industry in which the company operates and have the knowledge, skills and professional experience necessary for the proper performance of their duties. In accordance with applicable law, the Supervisory Board of Mercedes-Benz Group AG must be composed of at least 30% women and at least 30% men. The specific details are presented in the chapter [“German Act on the Equal Participation of Women and Men in Leadership Positions”](#).



In addition, the Supervisory Board of Mercedes-Benz Group AG developed an overall profile of requirements for its own composition, which includes a competence profile and a diversity concept for the Board as a whole, including an age limit. The specific details of the overall profile of requirements are shown in the chapter [“Overall profiles of requirements for the composition of the Board of Management and the Supervisory Board”](#). The proposals of the Supervisory Board for the election of shareholder representatives by the General Meeting, for which the Nomination Committee submits recommendations, aim to fulfil the overall profile of requirements for the Supervisory Board as a whole.

The Supervisory Board supervises and advises the Board of Management in the management of the business. Monitoring and advisory activities also relate to sustainability issues. At regular intervals, the Supervisory Board discusses business development, the situation of the company, and planning and strategy, including the sustainability strategy and its implementation. The Supervisory Board also reviews and discusses the internal control and risk management system including their sustainability dimension and monitors compliance with statutory provisions, official regulations and internal policies within the company.

The Supervisory Board of Mercedes-Benz Group AG has also specified in more detail the information and reporting duties of the Board of Management vis-à-vis the Supervisory Board, the Audit Committee and – between meetings of the Supervisory Board – vis-à-vis the

Chairman of the Supervisory Board. The Supervisory Board has reserved the right of approval for transactions of fundamental importance.

The duties of the Supervisory Board of Mercedes-Benz Group AG include the appointment and, if necessary, the dismissal of the members of the Board of Management. Initial appointments are for a maximum of three years. In addition, the Supervisory Board resolved a flexibly structured further reduction in the term of office for appointments and reappointments of individuals aged 58 or older at the beginning of a term of office.

With regard to the composition of the Board of Management, the Supervisory Board observes the statutory requirements for the equal participation of women and men. The specific details are presented in the chapter [“German Act on the Equal Participation of Women and Men in Leadership Positions”](#). Furthermore, with regard to the composition of the Board of Management, the Supervisory Board adopted a diversity concept embedded in an overall profile of requirements. Its specific details are shown in the chapter [“Overall profiles of requirements for the composition of the Board of Management and the Supervisory Board”](#).

The Supervisory Board of Mercedes-Benz Group AG determines the system of Board of Management remuneration based on a proposal from the Presidential Committee, defines the targets for the variable remuneration components, including non-financial and sustainability-oriented parameters, and submits the remuneration system to the General Meeting for endorsement.

The Supervisory Board determines the individual remuneration of the Board of Management members in accordance with a remuneration system submitted to the General Meeting for endorsement. Furthermore, the Supervisory Board regularly reviews both the remuneration system and the total individual remuneration of the individual members of the Board of Management in order to ensure that these remain appropriate. The remuneration system for the members of the Board of Management, which was applicable for the reporting period and endorsed by a majority of 91% at the Annual General Meeting in 2023, can be viewed at group.mercedes-benz.com/remuneration-bom. The Remuneration Report 2025 that was prepared jointly by the Board of Management and the Supervisory Board (including the opinion of the auditor pursuant to Section 162 of the German Stock Corporation Act) is also available there.

The Supervisory Board examines the Annual Financial Statements, the Consolidated Financial Statements, and the Combined Management Report of the company and the Group including sustainability reporting for the Company and the Group, as well as the proposal for the appropriation of the distributable profits. After discussions with the auditor and in consideration of the audit opinions of the auditor and the audit results of the Audit Committee, the Supervisory Board shall declare whether any objections are to be raised after the final result of its own review. If this is not the case, the Supervisory Board approves the Annual Financial Statements and the Combined Management Report; the financial statements are deemed to have been adopted with the approval of



the Supervisory Board. The Supervisory Board shall report to the Annual General Meeting on the results of its own review as well as on the nature and scope of the supervision of the Board of Management during the past financial year. The Report of the Supervisory Board on the 2025 reporting year is available in the Annual Report and at group.mercedes-benz.com/company/corporate-governance/supervisory-board.

The Supervisory Board of Mercedes-Benz Group AG has adopted Rules of Procedure that, in addition to its duties and responsibilities, specifically regulate the convocation and preparation of its meetings as well as the procedure for the adoption of resolutions and contain provisions that are intended to avoid conflicts of interest. The Rules of Procedure of the Supervisory Board are available on the Internet at group.mercedes-benz.com/company/corporate-governance.

For the meetings of the Supervisory Board during the reporting period, regular Executive Sessions were again scheduled in order to be able to discuss topics in the absence of the Board of Management. The Board of Management does not participate in meetings of the Supervisory Board and its committees to which the auditor is called in as an expert, unless the Supervisory Board or the committee deems its participation necessary. Meetings of the Supervisory Board and its committees should as a rule take place in person. In justified exceptional cases the meetings can be held in the form of a video conference or a conference call or with the use of other comparable means of

telecommunication or individual members can participate in a meeting using such means.

Every member of the Supervisory Board must disclose any conflicts of interest they may have without delay to the Chairman of the Supervisory Board. Conflicts of interest and the manner in which they are dealt with are disclosed in the Report of the Supervisory Board.

The Supervisory Board regularly assesses the effectiveness of itself and its committees in fulfilling their duties. Based on the positive experience of 2023, a comprehensive self-assessment of the Supervisory Board and its committees will again be conducted in the 2026 financial year, with the involvement of an external consultant. This assessment will be based on an extensive questionnaire and additional interviews, and will also incorporate the perspective of the Board of Management. In addition, the Audit Committee also conducted a self-evaluation of its activities in 2025, based on a comprehensive company-specific questionnaire. The positive results of this self-assessment were presented and discussed at the Audit Committee meeting on 10 February 2026.

As of 31 December 2025, in addition to the Mediation Committee to be established by law, there are four other committees of the Supervisory Board of Mercedes-Benz Group AG that perform the tasks assigned to them in the name of and on behalf of the Supervisory Board as a whole, to the extent permitted by law. The relevant committee chairpersons shall report on the work of the committees to the plenary

meeting of the Supervisory Board at the latest at the next meeting of the Supervisory Board following the committee meeting. The Supervisory Board has adopted separate rules of procedure for all its committees. They are available on the Internet at group.mercedes-benz.com/company/corporate-governance.

Presidential Committee

The Presidential Committee consists of the Chairman of the Supervisory Board, the Deputy Chairman of the Supervisory Board, and two other members elected by the Supervisory Board. As of 31 December 2025, the Presidential Committee consisted of Dr Martin Bruder-müller (Chairman), Ergun Lümali (Deputy Chairman), Ben van Beurden and Barbara Resch.

The Presidential Committee makes recommendations to the Supervisory Board for the appointment of members to the Board of Management, in consideration of the overall profile of requirements defined by the Supervisory Board with the diversity concept including the statutory minimum quota of at least one woman on the Board of Management. It submits proposals to the Supervisory Board for the structure of the remuneration system for the Board of Management and for the appropriate individual total remuneration of the individual members of the Board of Management. The Presidential Committee is responsible for the contractual matters of the members of the Board of Management and decides on necessary approvals for further mandates and extra-group sideline activities of members of the Board of Management.



In addition, the Presidential Committee advises and decides on corporate governance issues, on which it also makes recommendations to the Supervisory Board. It supports and advises the Chairman of the Supervisory Board and his Deputy and prepares the meetings of the Supervisory Board within the scope of its responsibilities.

Nomination Committee

The Nomination Committee consists of the Chairman of the Supervisory Board and two other members elected by the shareholder representatives in the Supervisory Board by a majority of the votes cast. As of 31 December 2025, they are Dr Martin Bruder Müller (Chairman of the Nomination Committee), Ben van Beurden and Liz Centoni. The Nomination Committee is the only committee of the Supervisory Board composed exclusively of shareholder representatives. It makes recommendations to the Supervisory Board for proposals to the General Meeting for the election of shareholder representatives on the Supervisory Board. In this respect, it takes the statutory requirements for the participation of women into account and strives to fulfil the overall profile of requirements for the Supervisory Board as a whole.

Audit Committee

The Audit Committee consists of four members elected by the Supervisory Board of Mercedes-Benz Group AG by a majority of the votes cast. As of 31 December 2025, they are the shareholder representatives Olaf Koch (Chairman of the Audit Committee) and

Timotheus Höttges as well as the employee representatives Ergun Lümali and Sebastian Fay.

The members of the Audit Committee as a whole are very familiar with the industry in which the company operates.

Pursuant to the German Stock Corporation Act (AktG), at least one member of the Audit Committee must have expertise in the field of accounting and at least one other member must have expertise in the audit of financial statements. In accordance with the German Corporate Governance Code, expertise in the field of accounting shall involve specialized knowledge of and experience with the use of accounting principles and internal control and risk management systems, while expertise in relation to the audit of financial statements shall also involve specialized knowledge of and experience with the same. In addition, specialized knowledge of and experience with financial reporting and financial statement auditing shall include sustainability reporting and the audit of sustainability reports. The Chairman of the Audit Committee shall have expertise as described in at least one of the aforementioned fields.

Throughout the course of his career, Olaf Koch has held management positions in the field of finance and controlling in his capacity as a chief financial officer, and he later served for many years as the Chairman of the Board of Management of Metro AG and Chairman of the Audit Committee of Hugo Boss AG. He has been a member of the Audit Committee of Mercedes-Benz Group AG since 2021 and its Chairman since 2022.

He thus has specialized knowledge and experience with regard to the use of financial reporting principles and internal control and risk management systems and the audit of financial statements. This also includes sound knowledge of sustainability reporting and the audit of sustainability reports. For example, Olaf Koch introduced a sustainability target system and sustainability reporting at Metro AG, which led to the company maintaining a top position in the Dow Jones Sustainability Index for many years. He also monitors and contributes to the development of sustainability reporting and the audit of sustainability reports in general and at Mercedes-Benz Group AG in particular and he actively contributes his expertise to the work conducted by the Audit Committee.

Due to the many years he has spent serving in executive positions in the field of finance, most recently as Chief Financial Officer of Deutsche Telekom AG and as its CEO since 2014, Timotheus Höttges also has specialized knowledge and experience with regard to the use of financial reporting principles and internal control and risk management systems and the audit of financial statements. This also includes extensive knowledge of sustainability reporting and the audit of sustainability reports, which he gained in his principal activity as CEO of Deutsche Telekom AG. He also monitors and contributes to the development of sustainability reporting and the audit of sustainability reports and he actively contributes his expertise to the work conducted by the Audit Committee of which he has been a member since 2022.



Both Olaf Koch, the Chairman of the Audit Committee, and Timotheus Höttges, in his capacity as the other shareholder representative on the Audit Committee, are independent of the company and its Board of Management. Further information on the evaluation of the independence of members of the Supervisory Board is summarized in the section [“Overall profiles of requirements for the composition of the Board of Management and the Supervisory Board”](#) in this Declaration on Corporate Governance.

The Audit Committee addresses monitoring the accounting and the accounting process including the process of sustainability reporting, and the audit of the financial statements as well as the audit of sustainability reporting, in particular the selection and independence of the auditor and the quality of the audit. At least once a year, it discusses the effectiveness and operation of the internal control and risk management system, the internal auditing system and the Compliance Management System, including the sustainability-related topics addressed therein, with the Board of Management. It receives regular reports on the work of Corporate Audit and the compliance organization. In addition, each member of the Audit Committee may obtain information directly from the heads of those corporate departments that are responsible within the company for tasks relating to the Audit Committee in accordance with its Rules of Procedure via the Chairman of the Committee. The Chairman of the Committee shall communicate the information obtained to all members of the Audit Committee. If such information

is obtained, the Board of Management shall be informed accordingly without delay.

The Audit Committee discusses the interim financial reports and the information provided by the auditor about the review of the interim financial reports with the Board of Management and the auditor. On the basis of the opinion of the auditor, the Audit Committee reviews the annual company Financial Statements, the annual Consolidated Financial Statements, and the Management Report of the company and the Group including the sustainability reporting and discusses them together with the auditor. The Audit Committee submits its recommendations regarding the adoption of the Annual Financial Statements of Mercedes-Benz Group AG, the approval of the Consolidated Financial Statements, and the proposal for the appropriation of profits to the Supervisory Board. The committee also makes recommendations for the Supervisory Board's proposal for the election of the statutory auditor, the sustainability auditor, and the auditor for the review of interim financial reports, assesses their suitability, qualifications, and independence, and, following appointment by the Annual General Meeting, engages them to conduct the audit. It also agrees on the fee and coordinates the audit focus areas with the auditor.

The Chairman of the Audit Committee meets regularly with the auditor to discuss the progress of the audit and then reports to the Audit Committee on the results of these discussions. The Audit Committee also regularly discusses topics with the auditor in the absence of the Board of Management.

The auditor shall report to the Audit Committee on any and all accounting matters considered critical and on any material weaknesses in the internal control and risk management system relating to the accounting process that are identified during the audit.

Finally, the Audit Committee takes precautions to ensure that the auditor does not provide any prohibited non-audit services. The provision of permissible non-audit services requires the prior approval of the Audit Committee.

Transactions between Mercedes-Benz Group AG and related parties within the meaning of Section 111 b of the German Stock Corporation Act (AktG) require the prior approval of the Audit Committee, unless the law or the Supervisory Board stipulates that the approval of the plenary Supervisory Board or another committee is required.

At least quarterly, the Audit Committee receives the report of the BPO (Business & People Protection Office) whistleblowing system on complaints and information on possible violations of rules by top executives and violations of a defined catalogue of statutory provisions by other employees. It regularly obtains information on the processing of the said complaints and information.

**Legal Affairs Committee**

The Legal Affairs Committee is composed of six members elected by the Supervisory Board by a majority of the votes cast. As of 31 December 2025, the members of the Committee are the shareholder representatives Olaf Koch (Chairman), Dame Polly Courtice and Dr Doris Höpke as well as the employee representatives Ergun Lümali, Sebastian Fay and Michael Häberle. The Committee coordinates the exercising of the rights and obligations of the Supervisory Board with regard to the ongoing emission and cartel-related proceedings against the company and Group companies. It prepares resolutions of the Supervisory Board in this regard and makes corresponding resolution recommendations. The committee's special tasks under the 2020 agreement in principle with various US authorities to terminate civil and environmental proceedings related to emission control systems of certain diesel vehicles have been completed.

Mediation Committee

By law, the Mediation Committee consists of the Chairman of the Supervisory Board, Dr Martin Bruder Müller; the Deputy Chairman of the Supervisory Board, Ergun Lümali; and two members elected by a majority of the votes cast, one by the employee representatives and one by the shareholder representatives on the Supervisory Board. As of 31 December 2025, they are Ben van Beurden for the shareholder side and Barbara Resch for the employee side. The Committee was established for the sole purpose of performing the task set out in Section 31 Subsection 3 of the German Co-Determination Act (MitbestG). As in previous years, the Mediation Committee had no reason to take action in 2025.

German Act on the Equal Participation of Women and Men in Leadership Positions, as amended by the German Second Act on Leadership Positions

The requirements of the German Equal Participation of Women and Men in Leadership Positions Act are to be fulfilled at the company level. The following information therefore relates to the Board of Management of Mercedes-Benz Group AG, two management levels of Mercedes-Benz Group AG below its Board of Management, and the Supervisory Board of Mercedes-Benz Group AG.

In publicly listed companies with equal codetermination rights and a Board of Management consisting of more than three persons, there is a legal minimum requirement of at least one woman and at least one man on the Board of Management. During the entire reporting period, at least one woman was a member of the Board of Management. As of 31 December 2025, this is Britta Seeger.

With 11.8% share of women at the first (two women of a total of 17 executives) and 22.5% at the second (16 women of a total of 71 executives) level of management of Mercedes-Benz Group AG below the Board of Management at the time of the resolution, the Board of Management set, by a resolution dated 25 November



2020, a target for the proportion of women of at least 20% for the first and of at least 25% for the second level of the Mercedes-Benz Group AG below the Board of Management by 31 December 2025. As of 31 December 2025, the first level of management of Mercedes-Benz Group AG below the Board of Management consisted of 10 executives, of whom four were women, corresponding to a percentage of women of 40%. At the second level of management of Mercedes-Benz Group AG below the Board of Management, as of 31 December 2025, 15 out of a total of 46 executives were women, corresponding to 32.6%.

The change in the total number of executives at the various management levels of Mercedes-Benz Group AG between 25 November 2020 and 31 December 2025 was mainly due to the spin-off and hive-down of the Daimler commercial vehicles business that has meanwhile been carried out and the associated transfers to Daimler Truck as well as on the realignment within the framework of the strategic initiative “Next Level Performance” (NLP).

By resolution of 18 November 2025, the Board of Management, with a female representation of 40% at the first management level (four women out of a total of ten executives) and 34% at the second management level (16 women out of a total of 47 executives) of Mercedes-Benz Group AG below the Board of Management at the time of the resolution, set a target figure for the female representation of at least 25% for the first level and at least 30% for the second level of

Mercedes-Benz Group AG below the Board of Management by 31 December 2030.

Based on the assumption of a planned total of nine first-level managers by 31 December 2030, the target quota of 25% results in a target of three women. Based on the assumption of a constant total of 47 second-level managers by 31 December 2030, the target quota of 30% results in a target of 15 women.

The supervisory boards of listed companies subject to co-determination and equal representation of shareholders and employees on the Supervisory Board must be composed of at least 30% women and at least 30% men. The quota is to be met by the Supervisory Board as a whole. If the representatives of the shareholders or the representatives of the employees object to the Chairman of the Supervisory Board prior to the election, then the minimum share for this election shall be fulfilled separately by the shareholders and the employees. With regard to the election of shareholder representatives by the Annual General Meeting on 7 May 2025 there was no objection to the overall fulfilment.

As of 31 December 2025, women made up 40% of the shareholder side of the Supervisory Board of Mercedes-Benz Group AG (Liz Centoni, Dame Polly Courtice, Dr Doris Hoepke and Professor Dr Helene Svahn), while the remaining 60% were men. At that point in time, on the employee side, Nadine Boguslawski, Gabriela Neher-Merkel, Barbara Resch, Pia Simon and Monika Tielsch made up 50% women

and the remaining 50% were men. As of 31 December 2025 the statutory quota for women for the Supervisory Board thus remained fulfilled.

In the event of the election of the candidates proposed by the Supervisory Board to the 2026 Annual General Meeting, the gender quota on the shareholder side will remain unchanged at 40% women and 60% men. With regard to this election, there was no objection to the overall fulfilment.

In addition to Mercedes-Benz Group AG itself, other Group companies are subject to co-determination and set their own targets for the proportion of women on their respective Supervisory Boards and Boards of Management and at the two levels below the Board of Management as well as a deadline for achieving these targets, and publish them in accordance with the statutory requirements.

Directive (EU) 2022/2381 on improving the balance between women and men among directors of listed companies and on related measures sets a target of 40% of the underrepresented sex among non-executive directors and 33% among all directors for large listed companies in the EU. The targets are to be achieved by 30 June 2026. The deadline for implementation of the Directive into national law expired on 28 December 2024. In November 2024, the German Federal Government suspended both the binding targets for companies and the means to achieve them in accordance with the Directive.



Overall profiles of requirements for the composition of the Board of Management and the Supervisory Board

With regard to the composition of its Board of Management and its Supervisory Board, Mercedes-Benz Group AG considers competence profiles and diversity concepts with regard to aspects such as age and gender. The Supervisory Board has combined these profiles and concepts in the overall profiles of requirements for the Board of Management and the Supervisory Board described below. The profiles of requirements are reviewed annually and also serve as a basis for long-term succession planning.

Board of Management

The objective of the profile of requirements for the Board of Management is to ensure that the Board of Management has excellent leadership skills and that its composition is as diverse and complementary as possible. The Board of Management as a whole shall possess the knowledge, skills and experience necessary for the proper performance of its duties and at the same time embody the company's management philosophy on the basis of the various personal backgrounds and skills of its members. The key factor for the decision on filling a specific board position is always the interest of the company, taking any and all circumstances of the individual case into account.

In the reporting period, the profile of requirements for the Board of Management included the following aspects:

- The members of the Board of Management shall have **diverse educational and professional backgrounds**, preferably with at least two members with a technical background. As of 31 December 2025, the Board of Management includes Dr Jörg Burzer, a graduate engineer. Ola Källenius has demonstrated his technical expertise on a sustained basis since taking over the Group Research & Mercedes-Benz Cars Development division on 1 January 2017.
- In accordance with legal requirements for the management boards of listed companies with equal representation of shareholders and employees, and which consist of more than three persons, at least one woman and at least one man must be members. During the reporting period, the Board of Management continuously included at least one woman. As of 31 December 2025, this is Britta Seeger.
- For the **last possible age-related appointment or reappointment** of a member of the Board of Management, the completion of the 62nd year of life at the time of the beginning of a (new) term of office generally serves as a guideline. When determining this age limit, the Supervisory Board deliberately opted for a flexible benchmark in order to preserve the necessary leeway for appropriate decisions in individual cases. All members of the Board of Management fall below this standard age limit as of 31 December 2025.
- In addition, attention shall be paid to a sufficient **generational mix** among the members of the Board of Management; if possible, at least two members of the Board of Management shall be 52 years of age or younger at the beginning of the relevant term of office. This is also intended to promote diversity and the consideration of different perspectives, particularly with regard to the age structure of the Board of Management. This applies to Mathias Geisen, Michael Schiebe, and Oliver Thöne as of 31 December 2025.
- In the composition of the Board of Management, attention shall also be paid to **internationality** in the sense of different cultural backgrounds or international experience through several years of stays abroad; if possible, at least one member of the Board of Management shall be of international origin. Based on the several years of international experience of the vast majority of the board members, Oliver Thöne's focus on China, and Ola Källenius's international origin, this target was met at 31 December 2025.
- The Board of Management as a whole should possess knowledge and experience in the area of **sustainability/ESG** that is relevant to the Company. This is intended to reflect the increasing regulatory and practical importance of this topic. All members of the Board of Management possess knowledge and experience in different areas of sustainability. Depending on the area of responsibility, this demonstrably results in a broad spectrum of expertise based on the



distribution of responsibilities, which benefits the Company as a whole.

The criteria of the profile of requirements shall be taken into account when filling positions on the Board of Management. The Presidential Committee draws up a short-list of available candidates on the basis of a target profile, taking into account the specific qualification requirements and the requirements profile. It then submits a candidate proposal to the Supervisory Board together with the reasons for its recommendation for the decision-making. The decisive factor is always the interest of the company, in consideration of any and all circumstances of the individual case.

In the view of the Supervisory Board, fundamental individual suitability criteria for a position on the Board of Management are, in particular, personality, integrity, convincing leadership qualities, professional qualifications for the division to be taken over, past performance, knowledge of the company, and the ability to adapt business models and processes in a changing world.

Together with the Board of Management, the Supervisory Board also ensures long-term succession planning for the Board of Management, with due consideration of the profile of requirements and the circumstances of the individual case. The Presidential Committee of the Supervisory Board regularly discusses talents and exceptional leaders of the company. The contract terms and renewal options of current members of the Board of Management are discussed, as well as possible successors. On the basis of a

potential analysis and in consideration of the criteria of the profile of requirements, executives from the management level below the Board of Management as well as special high potentials are assessed and the next development steps are discussed and determined together with the Board of Management. The process of succession planning also includes regular reporting by the Board of Management on the proportion and development of female managers, especially at the first and second management levels below the Board of Management. The Board of Management is responsible for proposing a sufficient number of suitable candidates to the Supervisory Board. Mercedes-Benz Group AG aims to predominantly fill positions on the Board of Management with managers developed within the company. Nevertheless, potential external candidates are also evaluated and included in the selection process on a case-by-case basis, with the support of external recruitment consultancy firms.

Supervisory Board

The Supervisory Board as a whole must be familiar with the industry in which the company operates.

The aim of the profile of requirements for the Supervisory Board in its entirety is also to ensure that the composition of the Supervisory Board is as diverse and complementary as possible. The Supervisory Board shall, as a whole, understand the business model of the company and possess the knowledge, skills and experience – including expertise on the sustainability issues that are important for the company – necessary to properly provide qualified supervision and advice to the Board of Management.

Overall, the members of the Supervisory Board shall complement one another in terms of their expertise and professional experience in such a way that the Board as a whole can draw on the broadest possible pool of experience and diverse specialist knowledge. Furthermore, the Supervisory Board considers the diversity of its members in terms of age, gender, internationality and other personal characteristics as an important prerequisite for an effective working relationship. The decision of the Supervisory Board on an election proposal to the General Meeting shall always be based on the interests of the company, taking any and all circumstances of the individual case into account.

The requirements profile for the Supervisory Board in the reporting period included the following aspects:



- **Standard limit of membership duration**

As a rule, only candidates who have not already been members of the Supervisory Board for 12 years at the time of their (re-)election shall be proposed for election to the Supervisory Board for a full term of office. A full term of office in this sense is considered to be four years. This corresponds to the practice of the Supervisory Board to nominate Supervisory Board candidates for election by the general meeting only for a term of office of a maximum of four years instead of the legally permissible five years. On 31 December 2025, this requirement was fulfilled for all members of the Supervisory Board in office.

- **Diversity**

- **Gender ratio:** By law, at least 30% of the members of the Supervisory Board must be women and at least 30% must be men. Details regarding the fulfilment of this quota are explained in the section [“German Act on the Equal Participation of Women and Men in Leadership Positions, as amended by the German Second Act on Leadership Positions”](#) of this Declaration on Corporate Governance.
- **Generational mix:** At least 30% of the members of the Supervisory Board shall be no more than 62 years of age at the time of their election or re-election. Except for Dr Martin Bruder Müller, Ben van Beurden, Dame Polly Courtice, Marco Gobetti, Timotheus Höttges and Stefan Pierer, all other members (14 members, or more than 30%) of the Supervisory Board in

office on 31 December 2025 were aged 62 or younger at the time of their election or re-election for the current term of office.

- **Internationality:** At least 30% of shareholder representatives shall be of international origin (international citizenship) or have international experience. All shareholder representatives in office on 31 December 2025 have international experience. Moreover, the target has already been exceeded because of the international background of six shareholder representatives – Ben van Beurden, Liz Centoni, Dame Polly Courtice, Marco Gobetti, Stefan Pierer and Professor Dr Helene Svahn – who together account for 60% of the shareholder representatives.
- **Educational and professional background:** The members of the Supervisory Board should have different educational and professional backgrounds. As of 31 December 2025, the members of the Supervisory Board display a broad range of educational and professional backgrounds. Dr Martin Bruder Müller, Ben van Beurden, Liz Centoni, Stefan Pierer and Professor Helene Svahn have university degrees in chemistry, business and energy management, biotechnology and/or electrical engineering. Some employee representatives have completed relevant professional training. Furthermore, several university graduates in economics are represented, including Timotheus Höttges and Olaf Koch on the shareholder side and Pia Simon

and Michael Bettag on the employee side. Dame Polly Courtice and Marco Gobetti are proven experts in the field of sustainability and international management, respectively. A lawyer belongs to both the shareholder and employee side. A social economist and a production mechanic round off the diverse educational and professional backgrounds on the Supervisory Board.

- **Formal suitability**

- **Independence:** In order to ensure independent advice to and supervision of the Board of Management by the Supervisory Board, more than half of the shareholder representatives on the Supervisory Board shall be independent of the company and the Board of Management, subject to the disclosure of a deviation from the corresponding recommendation of the German Corporate Governance Code in the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG).

A shareholder representative on the Supervisory Board shall be independent of the company and its Board of Management if he or she has no personal or business relationship with the company or its Board of Management that could give rise to a material and not merely temporary conflict of interests. The assessment of independence is incumbent on the shareholder representatives on the Supervisory Board themselves. In this respect, four indicators must be taken into account that may point to a lack of independence: membership of the Board of



Management within the last two years prior to the appointment as a member of the Supervisory Board; a significant business relationship with the company or a company dependent on it, e.g. as a customer, supplier, lender or consultant; a close family relationship to a member of the Board of Management; membership of the Supervisory Board for more than twelve years (all criteria relate to both the members of the Supervisory Board and their close family members). However, the shareholder side is expressly at liberty to regard the member of the Supervisory Board in question as independent if one or even several negative indicators are fulfilled – however, this assessment should then be substantiated in the Declaration on Corporate Governance.

On the basis of the information known to the Supervisory Board, the shareholder representatives are of the opinion that there are no specific indications of relevant personal or business relationships or circumstances, in particular with regard to the company, members of the Board of Management or other members of the Supervisory Board, that could constitute a material and not merely temporary conflict of interests and therefore argue against the independence of any member of the Supervisory Board on the shareholder side. During the reporting period, the shareholder representatives Dr Martin Bruder-müller, Liz Centoni, and Timotheus Höttges in particular did not have any such material busi-

ness relationship with Mercedes-Benz Group AG or any company dependent on Mercedes-Benz Group AG (e.g. as a supplier, customer, lender or consultant) in a responsible function of a company outside the Group. The same applies also in view of the information provided in the Consolidated Financial Statements in the chapter “Notes to the Consolidated Financial Statements” in the note [“Related party disclosures”](#) to Stefan Pierer in his role as a shareholder and/or board member of companies in the Pierer Group. Stefan Pierer relinquished the majority stake in the LEONI Group in September 2024. Even after the transaction was completed, LEONI AG remains a closely related company of the Mercedes-Benz Group.

No former member of the Board of Management was a member of the Supervisory Board during the reporting period. No member of the Supervisory Board holds board functions or performs advisory tasks for significant competitors.

As a result, according to the assessment of the shareholders’ side, at 31 December 2025, all shareholder representatives on the Supervisory Board were to be deemed independent, namely Dr Martin Bruder-müller, Ben van Beurden, Liz Centoni, Dame Polly Courtice, Marco Gobetti, Dr Doris Höpke, Timotheus Höttges, Olaf Koch, Stefan Pierer and Professor Dr Helene Svahn.

- **Standard age limit:** As a rule, only candidates who are not older than 72 years at the time of their election shall be proposed for election to the Supervisory Board for a full term of office. A full term of office in this sense is already considered to be a four-year term of office. This corresponds to the practice of the Supervisory Board, which now proposes Supervisory Board candidates to the General Meeting only for a term of office of a maximum of four years instead of the legally permissible five years. Upon the establishment of this age limit, the Supervisory Board deliberately decided against a rigid maximum age limit and in favour of a flexible standard limit that preserves the necessary leeway for an appropriate assessment of the circumstances of the individual case, that defines the group of potential candidates in a sufficiently broad manner, and that also allows for re-election. None of the members of the Supervisory Board in office on 31 December 2025 exceeded the standard age limit at the time of their election for a full term of office.
- **Expertise and experience**
 - **Two financial experts:** At least one member of the Audit Committee must have expertise in the field of accounting and at least one other member must have expertise in the audit of financial statements. Expertise in the field of accounting should involve specialized knowledge of and experience with the use of accounting principles and internal control and



risk management systems, while expertise in relation to the audit of financial statements must also involve specialized knowledge of and experience with the same. In addition, specialized knowledge of and experience with financial reporting and financial statement auditing shall include sustainability reporting and the audit of sustainability reports. On the shareholder side, the Audit Committee has two financial experts as members – Olaf Koch and Timotheus Höttges – whose current or past relevant duties at (listed) companies, as well as continuing qualification activities, ensure they have specialized knowledge of and experience with accounting and the audit of financial statements. The same applies to their specialized knowledge of and experience with sustainability reporting and the audit of sustainability reports. Further details on the expertise of the two financial experts can be found in the information on the composition and working method of the Audit Committee in this Declaration on Corporate Governance.

- **Other special areas of expertise:** the Supervisory Board shall, as a whole, possess expertise and experience in areas of particular relevance to the company. At least three members of the Supervisory Board shall bring knowledge and experience in each of the following areas:

- Finance (e.g. accounting, controlling, risk management, auditing, M&A)
- Strategy
- Industry & Digitalization/IT (e.g. production, procurement, software, processes, data security)
- Transformation (e.g. products, working models)
- HR (e.g. human resources management, employee issues, world of work)
- Sustainability/ESG (in particular: the environment – green production and logistics, climate and decarbonization strategy; social – people plan, sustainable supply chains; governance – sustainable corporate governance, sustainable finance)
- Innovation, research and development, technology
- Sales/brands
- Capital markets

The specification examples in the parentheses for the areas shown above are not exhaustive; in addition, expertise does not have to be demonstrated for every specified item in the parentheses for each area.

On the basis of the table “Qualification matrix of the Supervisory Board members”, the Supervisory Board as a whole in its composition as of 31 December 2025 meets the defined

requirements pertaining to its expertise/experience. More than three members of the Supervisory Board have relevant knowledge and/or experience in each of the areas of expertise shown above. The explanations shown below regarding the members of the Supervisory Board who are mentioned by name should therefore be viewed as examples.

In the area of **finance**, Ben van Beurden and Dr Doris Höpke in particular possess special expertise, as do the two financial experts Olaf Koch and Timotheus Höttges and the other members of the Audit Committee, Ergun Lümalı and Sebastian Fay.

With regard to **strategy**, Dr Martin Bruder Müller in particular has proven sector-specific expertise as a result of his previous professional experience. In terms of the sustainable business strategy, the ESG expertise of Dame Polly Courtice, as well as Marco Gobetti’s entrepreneurial experience, deserve mention. In addition, Ben van Beurden, due to his mandates on various supervisory boards, and Ergun Lümalı due to the many years he has served on the company’s Supervisory Board, have extensive experience with strategy issues.

In the area of **industry and digitalization/IT**, Dr Martin Bruder Müller’s many years of experience in the chemical industry are particularly noteworthy. He has further deepened his



industry-specific knowledge since assuming the role of Chairman of the Supervisory Board. Stefan Pierer also possesses in-depth industrial experience. In addition, Ergun Lümali possesses expertise relevant to the area of industry due to the many years he has spent as Chairman of the Works Council at the Mercedes-Benz Sindelfingen plant.

Liz Centoni and Timotheus Höttges, among others, contribute expertise and experience in digitalization/IT gained through their professional activities at Cisco and Deutsche Telekom, respectively. The same can be said for Monika Tielsch due to her activity as a Works Council member in the R&D unit, where the MB.OS operating system is being developed.

Dr Martin Bruder Müller and Ben van Beurden in particular have extensive expertise in the area of **transformation**. They were particularly responsible for the transformation of the companies they chaired as CEOs. In their capacity as works council chairmen at key Mercedes-Benz production plants, both Ergun Lümali and Michael Häberle use their expertise to help manage the transformation at the Mercedes-Benz Group.

In the area of **human resources**, Dr Doris Höpke, among others, possesses profound knowledge due to her professional experience as a Chief Human Resources Officer and Labour Director of a listed company. As a representative of the senior executives, Pia Simon also has the relevant expertise. Furthermore, the relevant

knowledge and experience contributed by IG Metall representatives Nadine Boguslawski, Sebastian Fay and Barbara Resch are very valuable for the work of the Supervisory Board.

In the area of **sustainability/ESG**, Dame Polly Courtice contributes the expertise she has gained in ESG matters as a result of having served for many years as Director of the University of Cambridge Institute for Sustainability Leadership. Dr Martin Bruder Müller, Ben van Beurden and Timotheus Höttges in particular contribute to the Supervisory Board their knowledge of and experience with “environmental” (“E”) issues. All of them deal or dealt extensively with sustainability issues (in particular those relating to climate change mitigation and decarbonization) at the companies in which they serve or served as chairmen of the board of management. Dame Polly Courtice as well as the employee representatives on the Supervisory Board possess expertise in the fields shown above that relate to the “social” (“S”) component of ESG. With regard to “governance” (“G”), Olaf Koch and Sebastian Fay contribute to the Supervisory Board the expertise they have gained throughout their professional careers.

With respect to **innovation, research and development**, the proven expertise of Professor Dr Helene Svahn deserves to be especially highlighted. Liz Centoni also possesses specialized knowledge in this area due to the many years

she has spent in executive positions at Cisco. Finally, Monika Tielsch and Michael Häberle, among others, also contribute to the Supervisory Board the expertise they have gained in this area throughout their careers.

In the area of **sales/brands**, Stefan Pierer’s industry-related knowledge must be recognized. In addition, Marco Gobetti enriches the Supervisory Board with special expertise in the area of branding. Michael Bettag has many years of experience in sales.

The area of **capital markets** is very well covered by Dr Martin Bruder Müller, Ben van Beurden, Olaf Koch and Timotheus Höttges in particular, as all of them serve or have served as chairmen of listed companies. Ergun Lümali, among others, also possesses expertise with regard to capital markets after having served as a member of the Supervisory Board for many years.

- **Regional competencies/experience:** The Supervisory Board as a whole should have skills/experience in the regions that are particularly relevant for the company: Germany, Europe, America, Asia-Pacific (especially China). Regional skills in this sense are professional activity in the region or professional experience related to the region. Dr Martin Bruder Müller possesses proven experience in Asia and Europe, gained through many years working abroad, including in China and Italy, for another industrial company. Stefan Pierer, who founded Pierer Industrie AG, also has extensive



expertise and experience in Europe. Timotheus Höttges and Olaf Koch distinguish themselves through their experience managing global expansions at other industrial companies. Liz Centoni and Ben van Beurden round out the team's expertise and experience with their international experience at large multinational corporations, including those with US operations.

Proposals by the Supervisory Board for the election of shareholder representatives by the General Meeting, for which the Nomination Committee makes recommendations, shall take the aspects outlined above into account and aim to fulfil the profile of requirements for the Board as a whole. The Nomination Committee shall draw up a short-list of available candidates on the basis of a target profile, taking the specific qualification requirements and the aforementioned criteria into account, and, while doing so, also obtain assurances that the proposed candidate has sufficient time to be able to exercise the mandate with due diligence. Subsequently, the Nomination Committee submits a candidate proposal to the Supervisory Board together with the reasons for its recommendation for decision-making. The decision of the Supervisory Board on the election proposal to the General Meeting shall always be based on the interests of the company, taking any and all circumstances of the individual case into account.

The terms of office of the shareholder representatives on the Supervisory Board of Mercedes-Benz Group AG end at different times ("staggered board"). Every year, the General Meeting elects one or more shareholder representatives. The staggered board opens up the possibility of adapting the composition of the Supervisory Board more flexibly to a changing environment. In addition, it facilitates the search for suitable candidates, because not all seats on the shareholder side have to be filled at a single General Meeting. The Nomination Committee of the Supervisory Board regularly reviews which mandates end at which point in time and whether the relevant mandate holders are eligible and willing to serve a further term of office, taking the aforementioned criteria into account. In the search for new candidates, the Nomination Committee may rely on independent external recruitment consultancy services if it chooses to do so.

Shareholders and General Meeting

The shareholders exercise their membership rights, in particular their voting rights, at the General Meeting. Each share of Mercedes-Benz Group AG entitles the holder to one vote. Documents and information about the General Meeting are available at group.mercedes-benz.com/am.

In the context of comprehensive investor and public relations, the company is in close contact with its shareholders. Shareholders, financial analysts, shareholder associations, the media and interested members of the public are regularly and comprehensively informed about the company's situation and are promptly informed about important business changes. The Chairman of the Supervisory Board also discusses with investors topics specific to the Supervisory Board, such as the work and cooperation of the Supervisory Board and its committees, appointments to the Board of Management, remuneration, corporate strategy, and economic and geopolitical challenges. Such discussions took place in April, November, and December 2025 in the run-up to the 2025 and 2026 Annual General Meetings.



In addition to other channels of communication, the company makes very good use of the company website for investor relations. All key information published in 2025, including annual, quarterly and half-year financial reports, press releases, voting rights notifications by major shareholders, presentations and audio recordings from analyst and investor events and conference calls, as well as the financial calendar, is available at group.mercedes-benz.com/investors.

The dates of important publications, such as the annual report and interim financial reports, as well as the dates of the General Meeting, the annual press conference and analysts' conferences, are announced well in advance in the financial calendar.


Qualification matrix of the Supervisory Board members

	Dr Martin Bruder Müller	Ben van Beurden	Liz Centoni	Dame Polly Courtice	Marco Gobbetti
Tenure					
Joined board in	2021	2021	2021	2022	2022
Term limit not breached	✓	✓	✓	✓	✓
Diversity					
Gender	Male	Male	Female	Female	Male
Year of birth	1961	1958	1964	1952	1958
Nationality	German	Dutch	US	British/South African	Italian
International experience ¹	✓	✓	✓	✓	✓
Educational and professional background	Chemistry	Chemical engineering	Chemistry/MBA/software engineering	History/marketing/sustainability	International management/sales
Formal suitability					
Independence ²	✓	✓	✓	✓	✓
Age limit not breached	✓	✓	✓	✓	✓
Competencies/experience					
Finance (e.g. accounting, controlling, risk management, audit, M&A)					
	✓	✓	✓		✓
Strategy	✓	✓	✓	✓	✓
Industry and Digitalization/IT (e.g. production, procurement; software, processes, data protection)					
	✓	✓	✓		
Transformation (e.g. product, working models)					
	✓	✓	✓	✓	✓
HR (e.g. personnel management, employee issues, working environment)					
	✓	✓	✓	✓	✓
Sustainability/ESG⁴					
	✓	✓	✓	✓	✓
Innovation, research and development, technology					
	✓	✓	✓	✓	✓
Sales/Brand					
	✓	✓	✓	✓	✓
Capital market					
	✓	✓			✓
Regional competencies/experience					
Germany	✓	✓	✓		
Europe	✓	✓	✓	✓	✓
America	✓	✓	✓		✓
Asia-Pacific (especially China)	✓	✓	✓		✓

Footnotes are at the bottom of the table.



	Dr Doris Höpke	Timotheus Höttges	Olaf Koch	Stefan Pierer	Professor Dr Helene Svahn
Tenure					
Joined board in	2024	2020	2021	2023	2021
Term limit not breached	✓	✓	✓	✓	✓
Diversity					
Gender	Female	Male	Male	Male	Female
Year of birth	1966	1962	1970	1956	1974
Nationality	German	German	German	Austrian	Swedish
International experience ¹	✓	✓	✓	✓	✓
Educational and professional background	Law/mediation	Business administration/MBA	Business administration	Integrated master's degree in engineering –business and energy management	Biotechnology/electrical engineering
Formal suitability					
Independence ²	✓	✓	✓	✓	✓
Age limit not breached	✓	✓	✓	✓	✓
Competencies/experience					
Finance (e.g. accounting, controlling, risk management, audit, M&A)	✓	✓ ³	✓ ³	✓	✓
Strategy	✓	✓	✓	✓	✓
Industry and Digitalization/IT (e.g. production, procurement; software, processes, data protection)	✓	✓	✓	✓	✓
Transformation (e.g. product, working models)	✓	✓	✓	✓	✓
HR (e.g. personnel management, employee issues, working environment)	✓	✓	✓	✓	✓
Sustainability/ESG⁴	✓	✓	✓	✓	✓
Innovation, research and development, technology	✓	✓	✓	✓	✓
Sales/Brand	✓	✓	✓	✓	✓
Capital market	✓	✓	✓	✓	✓
Regional competencies/experience					
Germany	✓	✓	✓	✓	✓
Europe	✓	✓	✓	✓	✓
America	✓	✓	✓	✓	✓
Asia-Pacific (especially China)	✓	✓	✓	✓	✓

Footnotes are at the bottom of the table.



	Ergun Lümali	Michael Bettag	Nadine Boguslawski	Sebastian Fay	Michael Häberle
Tenure					
Joined board in	2014	2015	2021	2024	2018
Term limit not breached	✓	✓	✓	✓	✓
Diversity					
Gender	Male	Male	Female	Male	Male
Year of birth	1962	1961	1977	1984	1969
Nationality	German	German	German	German	German
Educational and professional background	Construction mechanics/ compensation and service policy	Business administration	Electronics engineer	Law	Mechanical engineering business administration
Formal suitability					
Age limit not breached	✓	✓	✓	✓	✓
Competencies/experience					
Finance (e.g. accounting, controlling, risk management, audit, M&A)	✓	✓	✓	✓	✓
Strategy	✓	✓	✓	✓	✓
Industry and Digitalization/IT (e.g. production, procurement; software, processes, data protection)	✓	✓	✓	✓	✓
Transformation (e.g. product, working models)	✓	✓	✓	✓	✓
HR (e.g. personnel management, employee issues, working environment)	✓	✓	✓	✓	✓
Sustainability/ESG⁴	✓	✓	✓	✓	✓
Innovation, research and development, technology	✓		✓		✓
Sales/Brand		✓			
Capital market	✓			✓	
Regional competencies/experience					
Germany	✓	✓	✓	✓	✓
Europe	✓	✓		✓	
America	✓				
Asia-Pacific (especially China)	✓		✓	✓	

Footnotes are at the bottom of the table.



	Gabriela Neher-Merkel	Michael Peters	Barbara Resch	Pia Simon	Monika Tielsch
Tenure					
Joined board in	2023	2023	2025	2024	2021
Term limit not breached	✓	✓	✓	✓	✓
Diversity					
Gender	Female	Male	Female	Female	Female
Year of birth	1995	1968	1975	1971	1967
Nationality	German	German	German	German	German
Educational and professional background	Production mechanic/ graphic designer	Sheet metal processor	Communications Electronics Engineer/Management	Business administration	Socioeconomics/mediation
Formal suitability					
Age limit not breached	✓	✓	✓	✓	✓
Competencies/experience					
Finance (e.g. accounting, controlling, risk management, audit, M&A)		✓	✓	✓	
Strategy		✓	✓	✓	✓
Industry and Digitalization/IT (e.g. production, procurement; software, processes, data protection)	✓	✓	✓	✓	✓
Transformation (e.g. product, working models)	✓	✓	✓	✓	✓
HR (e.g. personnel management, employee issues, working environment)	✓	✓	✓	✓	✓
Sustainability/ESG⁴	✓	✓	✓	✓	✓
Innovation, research and development, technology			✓		✓
Sales/Brand					✓
Capital market					
Regional competencies/experience					
Germany	✓	✓	✓	✓	✓
Europe				✓	
America					
Asia-Pacific (especially China)					

1 Only relevant for shareholder representatives.

2 Within the meaning of the German Corporate Governance Code; only relevant for shareholder representatives.

3 Financial expert in accordance with Section 100 Subsection 5 of the German Stock Corporation Act (AktG), Recommendation D.3 DCGK (German Corporate Governance Code).

4 Especially: environmental - green production and logistics, climate and decarbonization strategy; social - people plan, sustainable supply chains; governance - sustainable corporate governance, sustainable finance.



CONCEPT AMG GT XX



CONSOLIDATED FINANCIAL STATEMENTS

252	Consolidated Statement of Income	259	Notes to the Consolidated Financial Statements	
253	Consolidated Statement of Comprehensive Income		1. Material accounting policies	20. Equity
254	Consolidated Statement of Financial Position		2. Accounting estimates and management judgements	21. Share-based payment
256	Consolidated Statement of Cash Flows		3. Consolidated Group	22. Pensions and similar obligations
258	Consolidated Statement of Changes in Equity		4. Revenue	23. Provisions for other risks
			5. Functional costs	24. Financing liabilities
			6. Other operating income and expense	25. Other financial liabilities
			7. Other financial income/expense	26. Contract and refund liabilities
			8. Interest income and interest expense	27. Other liabilities
			9. Income taxes	28. Consolidated Statement of Cash Flows
			10. Intangible assets	29. Legal proceedings
			11. Property, plant and equipment including right-of-use assets	30. Contingent liabilities and other financial obligations
			12. Equipment on operating leases	31. Financial instruments
			13. Equity-method investments	32. Management of financial risks
			14. Receivables from financial services	33. Segment reporting
			15. Marketable debt securities and similar investments	34. Capital management
			16. Other financial assets	35. Earnings per share
			17. Other assets	36. Related party disclosures
			18. Inventories	37. Remuneration of the members of the Board of Management and the Supervisory Board
			19. Trade receivables	38. Auditor fees
				39. Events after the reporting period
				40. German Corporate Governance Code
				41. Information on investments



Consolidated Statement of Income

	Note	2025	2024
In millions of euros			
Revenue	4	132,214	145,594
Cost of sales	5	-109,881	-117,018
Gross profit in relation to revenue		22,333	28,576
Selling expenses	5	-9,718	-9,993
General administrative expenses	5	-2,477	-2,529
Research and non-capitalized development costs	5	-6,055	-5,580
Other operating income	6	1,551	2,507
Other operating expense	6	-1,025	-483
Gains/losses on equity-method investments, net	13	1,118	1,138
Other financial income/expense, net	7	93	-37
Earnings before interest and taxes (EBIT)	33	5,820	13,599
Interest income	8	623	738
Interest expense	8	-159	-190
Profit before income taxes		6,284	14,147
Income taxes	9	-953	-3,738
Net profit		5,331	10,409
thereof profit attributable to non-controlling interests		190	202
thereof share of the net profit attributable to shareholders of Mercedes-Benz Group AG		5,141	10,207
Earnings per share (in euros)			
For profit attributable to shareholders of Mercedes-Benz Group AG	35		
Basic		5.34	10.19
Diluted		5.34	10.19



Consolidated Statement of Comprehensive Income

	2025	2024
In millions of euros		
Net profit	5,331	10,409
Gains/losses from currency translation	-1,525	1,001
Gains/losses on debt instruments	3	9
Gains/losses on derivative financial instruments ¹	808	-1,181
Gains/losses on equity-method investments	-508	3
Items that may be reclassified to profit/loss in the Consolidated Statement of Income in the future	-1,222	-168
Actuarial gains/losses from pensions and similar obligations	1,020	1,045
Gains/losses on equity instruments	-57	-126
Gains/losses on equity-method investments	157	23
Items that will not be reclassified to profit/loss in the Consolidated Statement of Income in the future	1,120	942
Other comprehensive income/loss after taxes²	-102	774
thereof income/loss attributable to non-controlling interests after taxes	-114	5
thereof income/loss attributable to shareholders of Mercedes-Benz Group AG after taxes	12	769
Total comprehensive income/loss	5,229	11,183
thereof income/loss attributable to non-controlling interests	76	207
thereof income/loss attributable to shareholders of Mercedes-Benz Group AG	5,153	10,976

¹ Reclassifications of gains/losses from other comprehensive income relating to derivative financial instruments into the Consolidated Statement of Income are shown in [Note 31](#).

² For more information on income taxes included in other comprehensive income see [Note 9](#).



Consolidated Statement of Financial Position

	Note	2025	At 31 December 2024
In millions of euros			
Assets			
Intangible assets	10	20,547	19,436
Property, plant and equipment including right-of-use assets	11	27,340	26,537
Equipment on operating leases	12	39,472	45,220
Equity-method investments	13	10,037	12,786
Receivables from financial services	14	41,902	48,547
Marketable debt securities and similar investments	15	626	644
Other financial assets	16	2,953	3,020
Deferred tax assets	9	6,090	4,335
Income tax assets		426	327
Other assets	17	3,941	2,391
Total non-current assets		153,334	163,243
Inventories	18	23,933	26,234
Trade receivables	19	5,851	6,973
Receivables from financial services	14	34,387	39,320
Cash and cash equivalents		12,254	14,511
Marketable debt securities and similar investments	15	6,940	7,086
Other financial assets	16	2,852	2,868
Income tax assets		1,257	1,034
Other assets	17	3,645	3,581
Assets held for sale	3	11,013	160
Total current assets		102,132	101,767
Total assets		255,466	265,010



	Note	2025	At 31 December 2024
In millions of euros			
Equity and liabilities			
Share capital		3,070	3,070
Capital reserves		11,718	11,718
Retained earnings		77,631	75,469
Other reserves		1,163	2,368
Treasury shares		-325	-
Equity attributable to shareholders of Mercedes-Benz Group AG		93,257	92,625
Non-controlling interests		983	1,005
Total equity	20	94,240	93,630
Provisions for pensions and similar obligations	22	807	952
Provisions for other risks	23	7,612	7,332
Financing liabilities	24	62,410	73,487
Other financial liabilities	25	1,278	1,490
Deferred tax liabilities	9	10,201	7,497
Contract and refund liabilities	26	2,942	3,100
Income tax liabilities		1,020	1,342
Other liabilities	27	1,188	1,354
Total non-current liabilities		87,458	96,554
Trade payables		10,665	11,312
Provisions for other risks	23	7,846	7,688
Financing liabilities	24	37,596	39,311
Other financial liabilities	25	4,277	4,071
Contract and refund liabilities	26	7,955	8,146
Income tax liabilities		646	705
Other liabilities	27	3,443	3,547
Liabilities held for sale	3	1,340	46
Total current liabilities		73,768	74,826
Total equity and liabilities		255,466	265,010



Consolidated Statement of Cash Flows

	2025	2024
In millions of euros		
Profit before income taxes	6,284	14,147
Depreciation and amortization/impairments	7,223	6,772
Other non-cash expense and income	-1,204	-1,362
Gains (-)/losses (+) from disposals of non-current assets	65	18
Change in operating assets and liabilities		
Inventories	724	737
Trade receivables and trade payables	895	-1,199
Receivables from financial services	5,828	3,280
Vehicles on operating leases	-4,060	-3,110
Other operating assets and liabilities	2,585	986
Dividends received from equity-method investments	1,330	1,918
Income taxes paid	-1,664	-4,452
Cash flow from operating activities	18,006	17,735
Acquisitions of property, plant and equipment	-5,482	-4,039
Acquisitions of intangible assets	-4,260	-4,626
Cash inflows from disposals of property, plant and equipment and intangible assets	191	188
Acquisitions of shareholdings	-304	-363
Cash inflows from disposals of shareholdings and other business operations	413	716
Acquisitions of marketable debt securities and similar investments	-12,303	-6,785
Cash inflows from sales of marketable debt securities and similar investments	12,557	6,160
Other cash flows	-12	-1
Cash flow from investing activities	-9,200	-8,750



	2025	2024
In millions of euros		
Change in short-term financing liabilities	-3,558	-3,171
Additions to long-term financing liabilities	28,598	38,338
Repayment of long-term financing liabilities	-30,970	-35,355
Dividend paid to shareholders of Mercedes-Benz Group AG	-4,140	-5,486
Dividends paid to non-controlling interests	-183	-239
Acquisition of treasury shares	-360	-4,921
Other cash inflows	160	82
Cash flow from financing activities	-10,453	-10,752
Effect of foreign exchange-rate changes on cash and cash equivalents	-593	311
Change in cash and cash equivalents	-2,240	-1,456
Cash and cash equivalents at beginning of year	14,516	15,972
less cash and cash equivalents classified as assets held for sale at beginning of year	5	10
Cash and cash equivalents at beginning of year (Consolidated Statement of Financial Position)	14,511	15,962
Cash and cash equivalents at end of year	12,276	14,516
less cash and cash equivalents classified as assets held for sale at end of year	22	5
Cash and cash equivalents at end of year (Consolidated Statement of Financial Position)	12,254	14,511



Consolidated Statement of Changes in Equity

	Share capital	Capital reserves	Retained earnings	Other reserves			Treasury shares	Equity attributable to shareholders of Mercedes-Benz Group AG	Non-controlling interests	Total equity
				Difference of currency translation	Equity instruments/ debt instruments	Derivative financial instruments				
In millions of euros										
Balance at 1 January 2024	3,070	11,718	76,670	1,199	-142	1,514	-2,256	91,773	1,043	92,816
Net profit	-	-	10,207	-	-	-	-	10,207	202	10,409
Other comprehensive income/loss after taxes	-	-	1,045	1,048	-93	-1,231	-	769	5	774
Total comprehensive income/loss	-	-	11,252	1,048	-93	-1,231	-	10,976	207	11,183
Dividends	-	-	-5,486	-	-	-	-	-5,486	-242	-5,728
Changes in the consolidated group	-	-	138	-	-	-	-	138	-10	128
Capital increase	-	-	-	-	-	-	-	-	5	5
Acquisition of treasury shares	-	-	-	-	-	-	-4,809	-4,809	-	-4,809
Issue and disposal of treasury shares	-	-	-6,992	-	-	-	7,065	73	-	73
Other	-	-	-113	-	87	-14	-	-40	2	-38
Balance at 31 December 2024	3,070	11,718	75,469	2,247	-148	269	-	92,625	1,005	93,630
Balance at 1 January 2025	3,070	11,718	75,469	2,247	-148	269	-	92,625	1,005	93,630
Net profit	-	-	5,141	-	-	-	-	5,141	190	5,331
Other comprehensive income/loss after taxes	-	-	1,174	-1,967	-53	858	-	12	-114	-102
Total comprehensive income/loss	-	-	6,315	-1,967	-53	858	-	5,153	76	5,229
Dividends	-	-	-4,140	-	-	-	-	-4,140	-185	-4,325
Changes in the consolidated group	-	-	4	-	-	-	-	4	-	4
Capital increase	-	-	-	-	-	-	-	-	89	89
Acquisition of treasury shares	-	-	-	-	-	-	-381	-381	-	-381
Issue and disposal of treasury shares	-	-	-	-	-	-	56	56	-	56
Other	-	-	-17	-	-12	-31	-	-60	-2	-62
Balance at 31 December 2025	3,070	11,718	77,631	280	-213	1,096	-325	93,257	983	94,240



Notes to the Consolidated Financial Statements

1. Material accounting policies

Basis of preparation

General information

The Mercedes-Benz Group is a vehicle manufacturer with a worldwide product range of premium cars and vans. Its product portfolio is complemented by a range of financial services. The Group comprises the segments Mercedes-Benz Cars, Mercedes-Benz Vans and Mercedes-Benz Financial Services.

The Consolidated Financial Statements of Mercedes-Benz Group AG and its subsidiaries (“Mercedes-Benz Group” or “the Group”) as of 31 December 2025 have been prepared in accordance with Section 315e of the German Commercial Code (HGB) (Consolidated Financial Statements in accordance with International Financial Reporting Standards) and comply with the International Financial Reporting Standards (IFRS) in the form in which they must be applied in the European Union (EU) as of 31 December 2025.

Mercedes-Benz Group AG is a stock corporation organized under the laws of the Federal Republic of Germany. The company is entered in the Commercial Register of the Stuttgart District Court under No. HRB 19360 and its registered office is located at Mercedesstraße 120, 70372 Stuttgart, Germany.

The Consolidated Financial Statements of Mercedes-Benz Group AG are presented in euros (€). Unless otherwise stated, all amounts are given in millions of euros. All figures shown are rounded.

For the purpose of clarity, various items in the Consolidated Income Statement and the Consolidated Statement of Financial Position have been combined. These items are presented and explained separately in the Notes to the Consolidated Financial Statements.

The Consolidated Statement of Income is presented using the cost-of-sales method. The Consolidated Statement of Financial Position is structured according to maturity.

The Board of Management of Mercedes-Benz Group AG authorized the Consolidated Financial Statements for publication on 3 March 2026.

IFRS applied for the first time in the financial year and changes in legislation

In December 2024, the IASB published amendments to IFRS 9 and IFRS 7 for “**Contracts Referencing Nature-dependent Electricity**” (power purchase agreements). The amendments enable, under certain conditions, the avoidance of classification of long-term contracts for power purchase agreements for own use as derivative financial instruments in the scope of IFRS 9 and expand the options for establishing hedging relationships with regard to energy supplies from natural sources. Application is mandatory for financial years beginning on or after 1 January 2026. The Mercedes-Benz Group has applied the amendments to IFRS 9 and IFRS 7 early, starting with the Interim Financial Statements as of 1 July 2025. In the third quarter of 2025, the derivative financial instruments previously recognized in profit or loss were therefore transferred to retained earnings. The impact on the profitability, cash flows and financial position is not material due to the early application.



On 18 July 2025 the **law for an immediate tax investment programme to strengthen Germany as a business location** was announced. The corporate tax rate is to be gradually reduced annually from 15% to 10% starting with the 2028 tax year and ending in 2032. Future tax rate changes affect the amount of deferred taxes as soon as the new law was enacted. The tax income of around €0.7 billion as of 31 December 2025 determined as an effect of the revaluation of the deferred taxes primarily relates to development costs, property, plant and equipment, and provisions for pensions and similar obligations. Furthermore, retained earnings in connection with deferred taxes from provisions for pensions and similar obligations were reduced by an amount of just under €0.3 billion as of 31 December 2025 without effect on profit or loss.

IFRS issued, EU endorsed and not yet adopted in the reporting period

In April 2024 the IASB issued the standard **IFRS 18 “Presentation and Disclosure in Financial Statements”**. The aim of the standard is to improve the presentation of financial information as well as to increase the transparency and comparability of financial statements. IFRS 18 will in future replace IAS 1 “Presentation of Financial Statements” and includes regulations for the presentation and classification of items in the Consolidated Statement of

Income, the Consolidated Statement of Financial Position and the Consolidated Statement of Cash Flows. In addition, certain performance indicators defined by the Board of Management (so-called Management Performance Measures) are to be disclosed in a separate note to the Consolidated Financial Statements, and improved guidelines for the aggregation and disaggregation of items will be introduced. The newly defined operating result will be used as the starting point for the Consolidated Statement of Cash Flows. The application of IFRS 18 is mandatory for reporting periods beginning on or after 1 January 2027. Earlier application is permitted but not planned by the Mercedes-Benz Group. The Group is currently analysing, in particular, the effects of IFRS 18 on the structure of the Consolidated Income Statement and the Consolidated Statement of Cash Flows, as well as the necessity and scope of the additionally required disclosures and the need for amended aggregation or disaggregation of items. The Group is also examining the effects of the disclosure requirements regarding the performance indicators currently defined by the Board of Management.

In addition, other standards and interpretations which are not expected to have any significant impact on the Consolidated Financial Statements were published during the reporting year.

Principles of consolidation

The Consolidated Financial Statements include the financial statements of Mercedes-Benz Group AG and the financial statements of all subsidiaries, including structured entities, which are directly or indirectly controlled by Mercedes-Benz Group AG. Control exists if the parent company has the decisive power to direct the relevant activities of a subsidiary through voting rights or other rights, if it participates in positive and negative variable returns from a subsidiary, and if it can affect these returns by exercising this power.

Structured entities are entities which have been designed such that voting or similar rights are not relevant in deciding who controls the entity. This is the case for example if voting rights relate to administrative tasks only and the relevant activities are directed through contractual arrangements.



The financial statements of consolidated subsidiaries that are included in the Consolidated Financial Statements are generally prepared as of the reporting date of the Consolidated Financial Statements and are prepared using uniform recognition and measurement principles. Intra-Group assets and liabilities, equity, income and expenses as well as cash flows from transactions between consolidated entities are eliminated in the course of the consolidation process.

Business combinations and changes in equity interests

Business combinations are accounted for using the purchase method. In the context of obtaining control, non-controlling interest in the acquiree is in principle recognized at the proportionate share of the acquiree's identifiable assets, which are measured at fair value.

Changes in equity interests in subsidiaries that reduce or increase the Mercedes-Benz Group's percentage ownership without a change of control are accounted for as equity transactions between owners.

If the Group loses control of a subsidiary, the difference between the carrying amounts of the transferred assets and liabilities as well as the consideration received is generally reported in other operating income or expense.

Amounts that were previously recognized in other comprehensive income/loss are recognized in other operating income or expense upon loss of control. If realization is not permitted, they are reclassified to retained earnings.

Investments in associated companies, joint ventures or joint operations

An associated company is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee. Associated companies are generally accounted for using the equity method.

For entities over which the Mercedes-Benz Group has joint control together with a partner (joint arrangements), it is necessary to differentiate whether a joint operation or a joint venture exists. In a joint venture, the parties that have joint control of the arrangement have rights to the net assets of the arrangement. For joint ventures, the equity method has to be applied. A joint operation exists when the jointly controlling parties have direct rights to the assets and obligations for the liabilities. In this case, the prorated assets and liabilities and the prorated income and expenses are generally to be recognized (proportionate consolidation).

If the financial statements of associated companies, joint ventures or joint operations are not available in a timely manner, the Group's proportionate share of the results of operations is included in the Mercedes-Benz Group's Consolidated Financial Statements with up to a three-month time lag and taking into account significant events or transactions.

Entities measured at amortized cost

Subsidiaries, associated companies, joint ventures and joint operations whose business is non-active or of low volume and that individually and in sum are not material for the Group with regard to the fair presentation of profitability, cash flows and financial position are generally measured at amortized cost in the Consolidated Financial Statements.



Foreign currency translation and valuation

Transactions in foreign currency are translated at the relevant foreign exchange rates prevailing at the transaction date. In subsequent periods, assets and liabilities denominated in foreign currency are translated using period-end exchange rates; gains and losses from this measurement are recognized in profit and loss (except for gains and losses resulting from the translation of equity instruments measured at fair value through other comprehensive income, which are recognized in other comprehensive income/loss).

Assets and liabilities of foreign companies for which the functional currency is not the euro are translated into euros using period-end exchange rates. The translation adjustments are presented in other comprehensive income/loss. The components of equity are translated using historical rates. The statements of income and cash flows are translated into euros using the quarterly average exchange rates during the respective periods.

The exchange rates providing the basis for the currency translation of the US dollar, the Chinese renminbi, the Japanese yen and the South Korean won – the most significant foreign currencies for the Mercedes-Benz Group – developed as shown in the following table.

Exchange rates

	2025				2024			
	USD	CNY	JPY	KRW	USD	CNY	JPY	KRW
	€1 =	€1 =	€1 =	€1 =	€1 =	€1 =	€1 =	€1 =
Average exchange rate on 31 December	1.1750	8.2262	184.0900	1,696.9400	1.0389	7.5833	163.0600	1,532.1500
Average exchange rates during the respective period								
First quarter	1.0523	7.6551	160.4500	1,528.3300	1.0858	7.8048	161.1500	1,444.2100
Second quarter	1.1338	8.1968	163.8100	1,585.1300	1.0767	7.7974	167.7700	1,476.4200
Third quarter	1.1681	8.3599	172.2900	1,620.0400	1.0983	7.8701	163.9500	1,489.3000
Fourth quarter	1.1634	8.2581	179.2200	1,686.0200	1.0681	7.6754	162.5486	1,490.7788



Hyperinflation

To determine whether a country is to be considered as in hyperinflation, the Mercedes-Benz Group refers to the list published by the International Practices Task Force (IPTF), the Center for Audit Quality or other relevant international publications. After the deconsolidation of Mercedes-Benz Argentina S.A.U. in 2025 only Turkey is classified as in hyperinflation within the scope of consolidation as of the balance sheet date.

The effects of taking into account the devaluation of the monetary balance sheet items of subsidiaries in countries in hyperinflation are therefore recognized in profit or loss and are included in the Consolidated Statement of Income under other operating income or other operating expense and interest income and interest expense.

Due to the close economic relationship, the effects from the recognition of the inflation effect together with the translation effect are presented as a currency effect. Both effects are presented on a net basis in other comprehensive income and in the reserve for currency translation.

For companies that use hyperinflation accounting, the profit and loss statements and the cash flow statements are converted into euros using the exchange rates at the end of the period.

Accounting policies

Revenue recognition

Revenue from sales of vehicles, spare parts and other related products is recognized when control of the goods is transferred to the customer. This generally occurs at the time the customer takes possession of the products. Payment is usually also made at this point, unless it involves proceeds from leasing and financing packages for end customers and dealers.

If a dealer is not classified as a principal but as an agent and therefore control of vehicles is not transferred to him, sales revenue is only recorded when the end customer obtains control. The brokerage commissions payable to the dealer are shown in selling expenses.

Revenue recognition from the sale of vehicles for which the Group enters into a repurchase obligation is dependent on the form of the repurchase agreement.

Sales of vehicles in which the Mercedes-Benz Group is obliged to repurchase the vehicles in the future are accounted for as operating leases. This also applies to a call option that grants the Mercedes-Benz Group the right to repurchase.

Sales of vehicles including a put option (an entity's obligation to repurchase the asset at the customer's request) are reported as operating leases if the customer has a significant economic incentive to exercise that right at contract inception. Otherwise, a sale with a right of return is reported. The Mercedes-Benz Group considers several factors when assessing whether the customer has a significant economic incentive to exercise his or her right. Among others, these are the relation between the agreed repurchase price and the expected future market value at the time of repurchase of the asset and return rates.



Arrangements such as when the Mercedes-Benz Group provides a customer with a guaranteed minimum resale value that they receive on resale (residual-value guarantee) do not constrain the customers in their ability to direct the use of and obtain substantially all of the benefits from the asset. At contract inception of a sale with a residual-value guarantee, revenue therefore has to be recognized, reduced by a potential compensation payment to the customer (revenue deferral).

Under a contract manufacturing agreement, the Mercedes-Benz Group sells assets to a third-party manufacturer from which the Mercedes-Benz Group buys back the manufactured products after completion of the commissioned work. If the provision of material is not associated with the transfer of control to the service provider, no revenue is recognized.

For certain products sold by the Group, it offers extended, separately priced warranties that go beyond the statutory period, as well as service and maintenance contracts. Usual for such contracts is an advance payment or the payment of constant instalments over the term of the contract. If the customer has made an advance payment, the revenue from these contracts is deferred as a contract liability and recognized as revenue over the term of the contract in proportion to the costs expected to be incurred based on historical information.

A future loss on these contracts is recognized in the current reporting year if the expected costs for outstanding services under the contract exceed unearned revenue.

For revenue transactions with multiple performance obligations (multi-component contracts), the revenue is generally allocated to the various services based on their estimated relative standalone selling prices. For vehicle-related ancillary services, the Mercedes-Benz Group regularly applies their standalone selling price for reasons of materiality.

Depending on the sales model, vehicles may be initially sold to non-Group dealers. When control of the vehicle is transferred to the non-Group dealer, the Mercedes-Benz Group recognizes revenue from the sale of the vehicle. Irrespective of this, an end customer can decide to enter into a leasing contract with Mercedes-Benz Financial Services regarding such a vehicle. The vehicle is then sold by the non-Group dealer to Mercedes-Benz Financial Services.

The incremental cost of obtaining contracts is recognized as an expense when incurred if the amortization period will be no longer than one year.

The Mercedes-Benz Group does not adjust the promised amount of consideration for the effects of a significant financing component if at contract inception it is expected that the period between the transfer of a promised asset or service to a customer and payment by the customer will be no longer than one year.

Revenue also includes revenue from the rental and leasing business as well as interest from the financial services business at Mercedes-Benz Financial Services. Revenue generated from operating leases is recognized on a straight-line basis over the periods of the contracts. In addition, sales revenue is generated at the end of lease contracts from the subsequent sale of the vehicles. Revenue from finance leases that are based on vehicles manufactured by the Mercedes-Benz Group is recorded in accordance with the regulations for lessors who are manufacturers or dealers. Revenue from receivables from financial services is recognized using the effective-interest method.



The Mercedes-Benz Group uses a variety of sales promotion programmes dependent on various market conditions in individual countries as well as the respective product life cycles and product-related factors (such as amounts of discounts offered by competitors, excess industry production capacity, the intensity of market competition and consumer demand for the products). These programmes comprise cash offers to dealers and customers as well as lease subsidies or loans at reduced interest rates which are reported as follows:

- Revenue is recognized net of sales reductions such as cash discounts and sales incentives granted.
- When loans are issued below market rates, related receivables are recognized at present value (using market rates) and revenue is reduced for the interest incentive granted.
- If subsidized leasing fees are agreed upon in connection with finance leases, revenue from the sale of a vehicle is reduced by the amount of the interest incentive granted.

Research and non-capitalized development costs

Expenditure for research and development that does not meet the conditions for capitalization according to IAS 38 “Intangible Assets” is expensed as incurred.

Borrowing costs

Borrowing costs are expensed as incurred, unless they are attributable to the acquisition, construction or production of a qualifying asset and are therefore part of the acquisition or manufacturing costs of that asset. Depreciation of the capitalized borrowing costs is presented within cost of sales.

Government grants

Government grants related to assets are deducted from the carrying amount of the asset and are recognized in earnings over the life of a depreciable asset as a reduced depreciation expense.

Government grants which compensate the Group for expenses are recognized as other operating income in the same period as the expenses themselves.

Gains/losses on equity-method investments

This item includes all income and expenses in connection with investments accounted for using the equity method. In addition to the prorated profits and losses from financial investments, it also includes profits and losses resulting from the sale of equity interests or the remeasurement of equity interests following a loss of significant influence or joint control. The Mercedes-Benz Group’s share of dilution gains and losses resulting from the Group’s non-participation or subproportional participation in capital increases of companies in which shares are held and are accounted for using the equity method is also included in gains/losses on equity-method investments. Non-participation or subproportional participation in capital reductions is recorded as fictitious acquisition transactions. This item also includes impairment losses and/or gains on the reversal of such impairments of equity-method investments.

**Other financial income/expense**

Other financial income/expense depicts all income and expense from financial transactions which are included neither in interest income nor in interest expense, and which for Mercedes-Benz Financial Services are included neither in revenue nor in cost of sales.

Furthermore, income and expenses from equity interests are included in other financial income/expense if such income or expenses are not presented under gains/losses on equity-method investments.

Interest income and interest expense

Interest income and interest expense include interest income from investments in securities and from cash and cash equivalents as well as interest expense from liabilities. Furthermore, interest and changes in fair values related to interest rate hedging activities as well as income and expense resulting from the allocation of premiums and discounts are included. The interest components of defined benefit pension commitments and other similar obligations, as well as of the plan assets available to cover these obligations and interest on supplementary income tax payments or reimbursements are also presented in this line item.

Interest income and expense and gains or losses from derivative financial instruments related to the financial services business are disclosed under revenue and cost of sales respectively.

Expense from the compounding of interest on provisions for other risks is presented in other financial income/expense.

Income taxes

Income taxes are comprised of current income taxes and deferred taxes.

Current income taxes are calculated based on the respective local taxable income. The calculation of income taxes of Mercedes-Benz Group AG and its subsidiaries is based on the legislation and regulations applicable in the various countries. In addition, current income taxes presented for the reporting year include adjustments for uncertain tax payments or tax refunds for periods not yet finally assessed; however, excluding interest expenses and interest refunds and penalties on the underpayment of taxes. In cases for which it is probable that amounts declared as expenses in the tax returns might not be recognized (uncertain tax positions), a liability for income taxes is reported. The

amount is based on the best estimate of the expected tax payment (expected amount or most likely amount). Tax refund claims from uncertain tax positions are recognized when it is probable that they can be realized. Only in the case of tax-loss carryforwards or unused tax credits is no liability for taxes or tax claims recognized for these uncertain tax positions. Instead, the deferred tax assets for the unused tax-loss carryforwards or tax credits are adjusted.

Changes in deferred tax assets and liabilities are generally recognized through profit and loss in deferred taxes in the Consolidated Statement of Income, except for changes recognized in other comprehensive income/loss or directly in equity.

Deferred tax assets or liabilities are calculated on the basis of temporary differences between the tax basis and the financial reporting of assets and liabilities including differences from consolidation, on unused tax-loss carryforwards and unused tax credits. Measurement is based on the tax rates expected to be effective in the period in which an asset is recognized or a liability is settled. For this purpose, those tax rates and tax rules are used which are valid at the reporting date or are soon to be enacted. Deferred tax assets are recognized to the extent that it is probable that there



will be future taxable income available against which the deductible temporary differences, tax-loss carry-forwards and tax credits can be utilized. Deferred tax liabilities for taxable temporary differences in connection with investments in subsidiaries, associated companies, joint ventures and joint operations are not recognized if the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future.

For the calculation of deferred tax assets, assumptions have to be made regarding future taxable income and the time of realization of the deferred tax assets. In this context, the Mercedes-Benz Group takes into consideration, among other things, the projected earnings from business activities, the effects on earnings of the reversal of taxable temporary differences, and realizable tax strategies. On each balance sheet date, the Mercedes-Benz Group carries out impairment tests on deferred tax assets on the basis of the planned taxable income in future years. Deferred tax assets are only recognized if it is more likely than not that future tax benefits can be realized.

Earnings per share

Basic earnings per share are calculated by dividing profit attributable to shareholders of Mercedes-Benz Group AG by the weighted average number of shares outstanding.

Intangible assets

Intangible assets are measured at acquisition or manufacturing cost less accumulated amortization. If necessary, accumulated impairment losses are recognized.

Intangible assets with indefinite useful lives are reviewed annually to determine whether indefinite-life assessment continues to be appropriate. If not, the change in the useful-life assessment from indefinite to finite is made on a prospective basis.

Development costs for vehicles and components are capitalized if the recognition criteria according to IAS 38 are met. Subsequent to initial recognition, the asset is carried at acquisition or manufacturing costs less accumulated amortization and accumulated impairment losses. Capitalized development costs include all direct costs and pro-rata allocable overheads.

Capitalized development costs for vehicles and vehicle components are amortized on a straight-line basis over the expected product life cycle. The planned product lifespan only exceeds ten years in individual cases. Amortization of capitalized development costs is an element of manufacturing costs and is allocated to those vehicles and components by which they were generated. It is included in cost of sales when the inventory or vehicle is sold.

Other intangible assets with finite useful lives are generally amortized on a straight-line basis over their useful lives (three to ten years). The amortization period for intangible assets with finite useful lives is reviewed at least at the end of each reporting year. Changes in expected useful lives are treated as changes in accounting estimates. The amortization expense on intangible assets with finite useful lives is recorded in functional costs.

With acquisitions of businesses, goodwill represents the excess of the consideration transferred over the fair values assigned to the identifiable assets proportionally acquired and liabilities assumed. Goodwill is accounted for at the subsidiaries in the functional currency of those subsidiaries.



Emission allowances (e.g. emission permits from the EU emissions trading system) to compensate for CO₂ emissions are stated at acquisition cost. Derecognition occurs at the time the certificates or rights are returned or upon sale or expiration. Obligations to surrender emission allowances are recognized as provisions valued at the acquisition costs of emission allowances that have already been purchased. Any excess obligation that may exist is valued at the market value of the emission allowances still to be acquired.

Property, plant and equipment

Property, plant and equipment are measured at acquisition or manufacturing costs less accumulated depreciation. If necessary, accumulated impairment losses are recognized.

The costs of internally produced equipment and facilities include all direct costs and allocable overheads. Acquisition or manufacturing costs include the estimated costs, if any, of dismantling and removing the item and restoring the site as well as borrowing costs.

Depreciable property, plant and equipment are written down by scheduled depreciation over the corresponding useful life, generally on a straight-line basis. The useful lives of property, plant and equipment are shown in the following table.

Useful lives of property, plant and equipment	
Buildings and site improvements	10 to 50 years
Technical equipment and machinery	6 to 25 years
Other equipment, factory and office equipment	3 to 30 years

Leasing

Leases include all contracts that transfer the right to use a specified asset for a stated period of time in exchange for consideration, even if the transfer of the right to use such asset is not explicitly described in the contract. The Group is a lessee mainly of real estate properties and a lessor of its products.

The Mercedes-Benz Group as lessee

The Mercedes-Benz Group as a lessee recognizes for generally all lease contracts right-of-use assets as well as leasing liabilities for the outstanding lease payments. Variable lease payments that are not included in the initial recognition of the right-of-use asset are recognized as an expense for the period.

The Mercedes-Benz Group applies both recognition exemptions for leases with a lease term of twelve months or less (short-term leases) and for leases for which the underlying asset is of low value, not to recognize a right-of-use asset and a lease liability. The lease payments associated with those leases are predominantly recognized as an expense on a straight-line basis over the lease term.

Right-of-use assets, which are included under property, plant and equipment, are initially recognized at cost. The cost of a right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, any initial direct costs and an estimate of costs to be incurred in dismantling or removing the underlying asset. All leasing incentives already received from the lessor are deducted.



Lease liabilities, which are assigned to financing liabilities, are measured initially at the present value of the lease payments still to be made. The lease liabilities include the following lease payments:

- fixed payments including de facto fixed payments less lease incentives from the lessor
- variable lease payments linked to an index or interest rate
- amounts expected to be payable under residual-value guarantees
- the exercise price of a purchase option, when exercise is estimated to be reasonably certain, and
- contractual penalties for the termination of a lease if the lease term reflects the exercise of a termination option

In contracts that contain both lease and non-lease components, the option of foregoing a separation of these components is generally used with regard to the relevant lease payments.

Lease payments are discounted at the rate implicit in the lease if that rate can readily be determined. Otherwise, discounting is at the incremental borrowing rate. This incremental borrowing rate as a risk-adjusted interest rate is derived on a maturity and currency specific basis. As the cash flow pattern of the reference interest rates (bullet maturity) does not correspond to the cash flow pattern of a lease contract (annuity), a duration adjustment in order to account for that difference is used.

A right-of-use asset is subsequently measured at cost less any accumulated depreciation and, if necessary, any accumulated impairment. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated to the end of the lease term. The depreciation of right-of-use assets is recognized within functional costs.

In the subsequent measurement of a lease liability, the carrying amount is increased to reflect interest on the lease liability and reduced to reflect the lease payments made. The interest due on the lease liability is a component of interest expense. Extension and termination options are part of a number of leases, particularly of real estate. In determining the lease term, those options are only considered if their exercise is reasonably certain. During the term, these

options are regularly checked with regard to their probability of being exercised.

The Mercedes-Benz Group as lessor (equipment on operating leases)

The opportunities and risks associated with a leased asset are used to assess whether economic ownership of the leased asset is attributable to the lessor (operating leases) or the lessee (finance leases) as part of the lease of a Group product.

For **operating leases** the economic ownership of the vehicle remains at the Mercedes-Benz Group. Additionally, an operating lease may have to be reported with sales of vehicles for which the Group enters into a repurchase obligation.

For operating leases in particular, certain assumptions are regularly made about the residual value of returns from leasing transactions. If changing market developments at the balance sheet date lead to a negative deviation from previously estimated assumptions, the residual value must be adjusted or an impairment carried out. Depending on the region and the current market situation, the risk-mitigation measures taken generally include continuous market monitoring as well as, if required, price-setting strategies or sales-promotion measures designed to regulate vehicle inventories. The residual value estimate is generally verified by regular comparisons of internal and external sources, and, if required, the determination of residual



values is adjusted and further developed with regard to methods, processes and systems.

In the case of accounting as an operating lease, these vehicles are capitalized at the (amortized) cost of production under equipment on operating leases and are depreciated over the contract term on a straight-line basis with consideration of the expected residual values. Changes in the expected residual values lead either to prospective adjustments of the scheduled depreciation or, if there are indications, to an impairment loss. The vehicles are allocated to the segment which bears substantially all of the residual-value risk. Excluded from this are the operating lease agreements described in the following paragraph.

Operating leases also relate to vehicles, primarily Group products, that Mercedes-Benz Financial Services acquires from non-Group dealers or other third parties and leases to end customers. These vehicles are presented at (amortized) cost of acquisition under equipment on operating leases in the Mercedes-Benz Financial Services segment. If these vehicles are Group products and are subsidized, the subsidy is passed on to the external customer as part of the leasing contract. This leads to a reduction in acquisition costs and a corresponding reduction of revenue from vehicle sales. After revenue is received from the sale to independent dealers, these Group products generate revenue from lease payments and subsequent resale on the basis of the separate leasing contracts.

In the case of **finance leases**, the Group presents the receivables under receivables from financial services in an amount corresponding to the net investment of the lease agreements. The net investment in a lease is determined by discounting the gross investment (future lease payments and non-guaranteed residual value) using the interest rate implicit in the lease.

Impairment of non-current non-financial assets

The Mercedes-Benz Group assesses at each reporting date whether there is an indication that an asset may be impaired or whether there is an indication that a previously recognized impairment loss may be reversed. If such indication exists, the Mercedes-Benz Group estimates the recoverable amount of the asset. The recoverable amount is determined for each individual asset unless the asset generates cash inflows that are not largely independent of those from other assets or other groups of assets (cash-generating units). Impairments are recognized in other operating expenses.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may be reversed. If this is the case, the Mercedes-Benz Group records a partial or entire reversal of the impairment; the carrying amount is thereby increased to the recoverable amount. However, the increased carrying amount may not exceed the carrying amount that would have been determined (net of scheduled depreciation) if no impairment loss had been recognized in prior years. Reversals of impairment losses are recognized in other operating income.

Goodwill and other intangible assets with indefinite useful lives are tested at least annually for impairment. This takes place at the level of the cash-generating units. The cash-generating units Mercedes-Benz Cars and Mercedes-Benz Vans basically correspond to the segments. At Mercedes-Benz Financial Services, impairment testing is carried out below segment level. A distinction is made between the cash-generating unit Mercedes-Benz Financial Services Classic (traditional financial services business) and several region-specific cash-generating units, which are linked to activities related to charging electric vehicles. As the cash-generating units related to charging activities had neither goodwill nor other intangible assets with indefinite useful lives in either the reporting year or the prior year and additionally there was no indication of impairment, it was not necessary to calculate the recoverable amount.



If it is determined that the carrying amount of an asset or of a cash-generating unit exceeds the recoverable amount, an impairment loss is recognized for the difference.

The recoverable amount is the higher of fair value less costs of disposal and value in use. For cash-generating units, the Mercedes-Benz Group in a first step determines the respective recoverable amount as value in use and compares it with the respective carrying amounts (including goodwill). If the value in use is lower than the carrying amount, the fair value less costs of disposal is additionally determined to ascertain the recoverable amount. Value in use is measured by discounting expected future cash flows from the continuing use of the cash-generating units using a risk-adjusted interest rate. Future cash flows are determined on the basis of the long-term planning, which is approved by management and which is valid at the date when the impairment test is conducted.

This planning, which covers the period up to and including 2030, is based on assumptions, including those regarding future sales volumes, the development of the respective markets and the profitability of the products, taking into account the effects of the transformation of the automotive industry and the expected macroeconomic developments as well as

legal and regulatory developments. The assumptions used for planning are checked for plausibility against both historical developments and external sources of information (e.g. market studies). In the planning period, an overall increase in unit sales and revenue is assumed for the cash-generating units Mercedes-Benz Cars and Mercedes-Benz Vans. Based on the sales planning of the cash-generating units Mercedes-Benz Cars and Mercedes-Benz Vans, the planning of the cash-generating unit Mercedes-Benz Financial Services Classic assumes an increase in the portfolio in the planning period. Further information on climate-related assumptions and the associated uncertainties can be found within this note in the section “Sustainability-related Aspects in the Recognition and Measurement of Assets and Liabilities”.

The rounded, risk-adjusted interest rates determined specifically for the respective cash-generating unit and used to discount the cash flows are 9.5% (2024: 9.5%) after taxes for the Mercedes-Benz Cars and Mercedes-Benz Vans cash-generating units. A risk-adjusted interest rate of 10% (2024: 10%) after taxes is used for the Mercedes-Benz Financial Services Classic cash-generating unit. The interest rates after taxes mentioned above correspond to interest rates before taxes between 12.6% and 14.1% (2024: 12.8% and 14%).

While the discount rate for the Mercedes-Benz Financial Services Classic cash-generating unit represents the cost of equity, the risk-adjusted interest rate for the Mercedes-Benz Cars and Mercedes-Benz Vans cash-generating units is based on the weighted average cost of capital (WACC). This is calculated based on the capital asset pricing model (CAPM), taking into account current market expectations. In calculating the risk-adjusted interest rate for impairment test purposes, specific peer group information is used for beta factors, capital structure data and cost of debt. Periods not covered by the forecast are taken into account by recognizing a residual value (terminal value), which does not include any growth rates.

While the recoverable amount of the Mercedes-Benz Cars and Mercedes-Benz Vans cash-generating units significantly exceeds the carrying amount, the recoverable amount of the Mercedes-Benz Financial Services Classic cash-generating unit is close to the carrying amount.

In addition, sensitivity analyses are carried out (e.g. with regard to the discount rate and valuation-relevant cash flows). The carrying amount of the Mercedes-Benz Financial Services Classic cash-generating unit would exceed the recoverable amount in two scenarios: In the



case of an increase of the cost of equity of one percentage point to 11% by around €0.35 billion, and in the case of a reduction of the cash flows before taxes by 10% by around €0.3 billion. A cost of equity rate of 10.7% after taxes and a reduction of the cash flows before taxes of 7.8% would lead to an equalisation of the carrying amount and the recoverable amount.

Equity-method investments

The initial recognition of interests in investments accounted for using the equity method is generally made with their acquisition costs. If the Group loses control of a subsidiary and subsequently presents it at equity, the fair value of the retained shares represents the acquisition cost.

On the date of acquisition, a positive difference between cost of acquisition and the Mercedes-Benz Group's share of the fair values of the identifiable assets and liabilities of the associated company or joint venture is determined and recognized as "investor level goodwill". The goodwill is included in the carrying amount of the equity-method investment.

If an equity interest in an existing associated company is increased without change in significant influence, goodwill is determined only for the additionally acquired interest; the previous investment is not remeasured at fair value.

The Mercedes-Benz Group reviews on each reporting date whether there is any objective indication of impairments or impairment reversals of equity-method investments. If such indications exist, the Group determines the impairment loss or reversal to be recognized. If the carrying amount exceeds the recoverable amount of an investment, the carrying amount is written down to the recoverable amount. The recoverable amount is the greater of fair value less costs to sell and value in use. An impairment reversal is carried out if there is objective evidence for an impairment reversal. If such an assessment is made, the recoverable amount is remeasured. An impairment reversal is recognized to the extent that the recoverable amount has increased subsequent to the impairment and is limited to the amount by which an asset has been impaired.

Gains or losses to be eliminated from transactions with companies accounted for using the equity method are recognized through profit and loss with corresponding adjustments of the investments' carrying amounts and are reported in gains/losses on equity-method investments.

Non-current assets and disposal groups held for sale

The Group classifies non-current assets or disposal groups as held for sale if the carrying amount will be recovered principally through an extremely likely sale transaction rather than through continuing use. In this case, the assets or disposal groups are no longer depreciated as planned, but are measured at the lower of carrying amount and fair value less costs to sell.

Immediately before classification as held for sale, it is assessed if the assets are impaired based on the applicable individual regulations. If fair value less costs to sell subsequently increases, any impairment loss previously recognized is reversed. This reversal is restricted to the impairment loss previously recognized for the assets or disposal group concerned.



Inventories

Inventories are measured at the lower of historical acquisition or manufacturing cost and net realizable value. The net realizable value is the expected sales price less estimated costs of completion and estimated costs to sell. The acquisition or manufacturing costs of inventories are generally based on the specific identification method and include costs incurred in acquiring the inventories and bringing them to their present location and condition. Acquisition or manufacturing costs for large numbers of inventories that are interchangeable are allocated using the average-cost formula.

In the case of manufactured inventories and work in progress, manufacturing cost also includes production overheads based on normal capacity.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments in the form of financial assets and financial liabilities are generally presented separately. Financial instruments are recognized as soon as Mercedes-Benz Group AG or a subsidiary becomes a party to the financial instrument. In the case of purchases or sales of financial assets through the regular market, the Mercedes-Benz Group uses the transaction date as the date of initial recognition or derecognition.

Upon initial recognition, financial instruments are measured at fair value. For the purpose of subsequent measurement, financial instruments are allocated to one of the categories mentioned in IFRS 9 “Financial Instruments” (financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss). Transaction costs directly attributable to acquisition or issuance are considered when determining the carrying amount if the financial instruments are not measured at fair value through profit or loss.

Financial assets

Financial assets primarily comprise receivables from financial services, trade receivables, receivables from banks, cash on hand, derivative financial assets, marketable securities and similar investments and financial investments.

The classification of financial instruments is based on the business model in which these instruments are held and on the characteristics of their contractual cash flows.

The determination of the business model is carried out at the portfolio level and is based on management’s intention and past transaction patterns. Assessments of the contractual cash flows are made on an instrument-by-instrument basis.

Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss include financial assets with cash flows other than those of principal and interest on the nominal amount outstanding. Furthermore, financial assets that are held in a business model other than “hold to collect” or “hold to collect and sell” are included here.



In addition, derivatives, including embedded derivatives separated from the host contract, which are not classified as hedging instruments in hedge accounting, as well as shares and marketable debt securities acquired for the purpose of selling in the short term, are included here. Gains or losses on these financial assets are recognized in profit or loss.

Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are non-derivative financial assets with contractual cash flows that consist solely of payments of principal and interest on the nominal amount outstanding and which are held to collect the contractual cash flows as well as to sell the financial assets, e.g. to achieve a defined liquidity target (business model “hold to collect and sell”).

This category also includes equity instruments not held for trading and not directly related to operating activities, for which the option to recognize changes in the fair value of the instrument within other comprehensive income has been applied.

After initial measurement, financial assets are measured at fair value through other comprehensive income, with unrealized gains or losses being recognized in other comprehensive income/loss.

Upon the disposal of debt instruments, the accumulated gains and losses recognized in other comprehensive income/loss resulting from measurement at fair value are recognized in profit or loss. Interest earned on financial assets measured at fair value through other comprehensive income is generally reported as interest income using the effective-interest method.

Changes in the fair value of equity instruments measured at fair value through other comprehensive income are not recycled to profit or loss, but reclassified to retained earnings upon disposal. Dividends are recognized in profit or loss when the right to payment has been established.

Financial assets measured at amortized cost

Financial assets measured at amortized cost are non-derivative financial assets with contractual cash flows that consist solely of payments of principal and interest on the nominal amount outstanding and which are held with the aim of collecting the contractual cash flows, such as receivables from financial services, trade receivables or cash and cash equivalents (business model “hold to collect”).

After initial recognition, these financial assets measured at amortized cost are subsequently carried at amortized cost using the effective-interest method less any loss allowances. Gains and losses are recognized in the Consolidated Statement of Income if the financial assets measured at amortized cost are impaired or derecognized. Interest effects from the application of the effective-interest method, as well as effects from foreign currency translation, are also recognized in profit or loss.

Cash and cash equivalents consist primarily of cash on hand, cheques and demand deposits at banks, as well as debt instruments and certificates of deposits with a remaining term when acquired of up to three months, which are not subject to any material value fluctuations. Cash and cash equivalents correspond with the classification in the Consolidated Statement of Cash Flows.

The restricted funds representing cash and cash equivalents are related to subsidiaries where foreign exchange controls apply, so that the Group has restricted access to the funds.



Impairment of financial assets

At each reporting date, an impairment is recognized for financial assets, loan commitments and financial guarantees other than those to be measured at fair value through profit or loss, reflecting expected credit losses for these instruments. Impairments are allocated using a three stage approach to expected credit losses:

Stage 1: expected credit losses within the next twelve months

Stage 1 includes all contracts with no significant increase in credit risk since initial recognition and usually includes new acquisitions and contracts with fewer than 31 days past due date. The portion of the lifetime expected credit losses resulting from default events possible within the next twelve months is recognized.

Stage 2: expected credit losses over the lifetime – not credit impaired

If a financial asset has a significant increase in credit risk since initial recognition but is not yet credit impaired, it is moved to stage 2 and measured at lifetime expected credit loss, which is defined as the expected credit loss that results from all possible default events over the expected life of a financial asset.

Stage 3: expected credit losses over the lifetime – credit impaired

If a financial asset is defined as credit-impaired or in default, it is transferred to stage 3. The expected credit loss is recognized as an impairment measured over the expected lifetime of the financial asset. Objective evidence for a credit-impaired financial asset includes 91 days past due date and other information about significant financial difficulties of the debtor.

The determination of whether a financial asset has experienced a significant increase in credit risk is based on an assessment of the probability of default, which is made at least quarterly, incorporating external credit rating information as well as internal information on the credit quality of the financial asset. For debt instruments that are not receivables from financial services, a significant increase in credit risk is assessed mainly based on past-due information or the probability of default.

A financial asset is migrated to stage 2 if the asset's credit risk has increased significantly compared to its credit risk at initial recognition. Indicators of a significant increase in credit risk may be past due dates of more than 30 days or an increase in debtor-specific risk premiums. For trade receivables, the simplified approach is applied whereby all trade receivables are allocated to stage 2 initially. Hence, no determination of significant increases in credit risk is necessary.

The Mercedes-Benz Group applies the low-credit-risk exception to the stage allocation to quoted debt instruments with investment-grade ratings. These debt instruments are always allocated to stage 1.

In stages 1 and 2, the effective interest revenue is calculated based on gross carrying amounts. If a financial asset becomes credit impaired in stage 3, the effective interest revenue is calculated based on its net carrying amount (gross carrying amount adjusted for any loss allowance).

**Measurement of expected credit losses**

Expected credit losses are measured in a way that reflects:

- a) the unbiased and probability-weighted amount
- b) the time value of money
- c) reasonable and supportable information (if available without undue cost or effort) at the reporting date about past events, current conditions and forecasts of future economic conditions

Expected credit losses are measured as the probability-weighted present value of all cash shortfalls over the expected life of each financial asset. For receivables from financial services, expected credit losses are calculated using a statistical model with three major risk parameters: probability of default, loss given default and exposure at default.

The estimation of these risk parameters incorporates all available relevant information, not only historical and current loss data, but also reasonable and supportable forward-looking information reflected by future expectations. This information includes macroeconomic factors (e.g. gross domestic product growth,

unemployment rate, cost performance index) and forecasts of future economic conditions. For receivables from financial services, these forecasts are performed using a scenario analysis (basic scenario, optimistic scenario and pessimistic scenario). The impairment amount for trade receivables is predominantly determined on a collective basis.

A financial instrument is derecognized when there is no reasonable expectation of recovery in whole or in part, for example, after the end of insolvency proceedings or after a court decision.

Significant modifications of financial assets (e.g. with a change in the present value of the contractual cash flows of 10%) also leads to derecognition of the financial assets with a simultaneous recognition of new financial assets. If the terms of a contract are renegotiated or modified and this does not result in derecognition of the contract, then the gross carrying amount of the contract is recalculated and a modification gain or loss is recognized in profit or loss. To assess whether a significant increase in credit risk has occurred, the probability of default of the modified financial instrument is compared to the probability of default of the original instrument at initial recognition.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the Consolidated Statement of Financial Position if, at the respective reporting date, there is a legally enforceable right to offset the amounts involved, and there is an intention either to carry out the offsetting on a net basis or to settle a liability when the related asset is sold.

Financial liabilities

Financial liabilities primarily include trade payables, liabilities to financial institutions, bonds, derivative financial liabilities and other liabilities.

Financial liabilities measured at amortized cost

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective-interest method.

Insofar as the Mercedes-Benz Group enters into reverse factoring agreements in which trade receivables of a supplier are transferred to a financial intermediary, changes in the presentation of the original trade payables may occur. If these liabilities differ in nature and function from other trade payables, the liabilities are presented separately.

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading. Derivatives (including embedded derivatives separated from the host contract) which are not or no longer used as hedging instruments in hedge accounting are classified as held for trading. Gains or losses on liabilities held for trading are recognized in profit or loss.

Derivative financial instruments and hedge accounting

The Mercedes-Benz Group uses derivative financial instruments in principle only for hedging financial risks that arise from its operating or financing activities or liquidity management. These are mainly currency risks and interest rate risks and, to a very small extent, commodity price risks.

Contracts for the purchase or sale of non-financial items are regularly qualified as own-use contracts and therefore treated as executory contracts (without balance sheet recognition), even though they meet the definition of a derivative.

Since 1 July 2025, this also applies, as a result of IASB amendments to IFRS 9 and IFRS 7, to contracts for hedging energy supplies, specifically “power purchase agreements”. If such contracts do not meet the criteria for own-use contracts, they are accounted for as derivatives. The derivatives are measured at fair value through profit or loss. The resulting valuation effects are reported in the functional costs where the consumption of the procured non-financial items (e.g. energy) is recognized.

Embedded derivatives are principally separated from the host contract and recognized separately. However, embedded derivatives are not separated from the host contract if that host contract is a financial asset, if the Mercedes-Benz Group chooses to measure a hybrid contract at fair value through profit or loss, or if the embedded derivative is closely related to the host contract.

Derivative financial instruments are measured at fair value upon initial recognition and at each subsequent reporting date. The fair value of listed derivatives is equal to their positive or negative market value. If a market value is not available, fair value is calculated using standard financial valuation models such as discounted cash flow or option-pricing models. Derivatives are recognized as assets if their fair value is positive and as liabilities if their fair value is negative.

If the requirements for hedge accounting set out in IFRS 9 are met, the Mercedes-Benz Group designates and documents the hedge relationship from the date a derivative contract is entered into as a fair-value hedge, a cash flow hedge or a hedge of a net investment in a foreign business operation. In a fair-value hedge, the changes in the fair value of a recognized asset or liability or an unrecognized firm commitment are hedged. In a cash flow hedge, highly probable future cash flows from expected transactions or variable cash flows to be paid or received related to a recognized asset or liability are hedged. The documentation of the hedging relationship includes the objectives and strategy of risk management, the type of hedging relationship, the nature of the risk being hedged, the identification of the eligible hedging instrument and the eligible hedged item, as well as an assessment of the effectiveness requirements comprising the risk mitigating economic relationship, the impact of deteriorating effects from credit risk and the appropriate hedge ratio. The effectiveness of the hedge is assessed at the start of and during the hedging relationship.



For fair-value hedges, changes in the fair value of derivative financial instruments and the hedged item are recognized in profit or loss. For cash flow hedges, fair-value changes in the effective portion of derivative financial instruments are recognized after tax in other comprehensive income.

The results of hedging transactions are reported for the hedge-effective portion in the line item of the Consolidated Statement of Income where the underlying business is affected. For cash flow hedges used to hedge currency risks in sales revenue and cost of sales, the effects of hedge cancellations and hedge ineffectivenesses are shown in the line item "Other financial income/expense" of the Consolidated Statement of Income.

Under IFRS 9, for cash flow hedges in procurement transactions expected with a high degree of probability, designation can be made for separable risk components of these non-financial hedged items.

Under IFRS 9, with cash flow hedges, amounts recognized in other comprehensive income as effective hedging gains or losses from hedging instruments are removed from the reserves for derivative financial

instruments and directly included in the initial cost or carrying amount of the hedged item at initial recognition if the hedged item, e.g. the forecast transaction, results in the recognition of a non-financial asset or non-financial liability.

For other cash flow hedges, the accumulated hedging gains or losses from hedging instruments are transferred from the reserves for derivative financial instruments to the Consolidated Statement of Income when the hedged item affects profit or loss. Insofar as currency translation effects recognized in profit or loss due to trade receivables and payables are connected with the underlying hedged transactions, simultaneously occurring hedging gains/losses are transferred to the Consolidated Statement of Income.

The ineffective portions of fair-value changes of derivatives are recognized directly in profit or loss.

For derivative instruments designated in a hedge relationship, certain components can be excluded from designation and the changes in these components' fair value are then deferred in other comprehensive income under IFRS 9. This may apply for example to the time value of options, the forward element of a forward contract or cross-currency basis spreads.

Hedge relationships are to be discontinued prospectively if a particular hedge relationship ceases to meet the qualifying criteria for hedge accounting under IFRS 9. Instances that require discontinuation of hedge accounting are, among others, changes to the designated hedged item, loss of the economic relationship between the hedged item and the hedging instrument, disposal or termination of the hedging instrument, or a revision of the documented riskmanagement objective of a particular hedge relationship. Accumulated hedging gains and losses from cash flow hedges are retained and are reclassified from equity as described at maturity if the hedged future cash flows are still expected to occur. Otherwise, accumulated hedging gains and losses are immediately reclassified to profit or loss.



Pensions and similar obligations

The measurement of defined benefit commitments for pensions and other similar post-employment benefits (healthcare benefits) in accordance with IAS 19 “Employee Benefits” is based on the “projected unit-credit method”. Plan assets invested to cover defined benefit pension commitments and other post-employment benefit obligations are measured at fair value and offset against the corresponding obligations.

The balance of defined benefit commitments for pensions and other similar post-employment benefit obligations and plan assets (net pension obligation or net pension assets) accrues interest at the discount rate used as a basis for the measurement of the gross pension obligation. The resulting net interest expense or income is recognized in profit and loss under interest expense or interest income in the Consolidated Statement of Income.

The other expenses resulting from pension commitments and other post-employment benefit obligations, which mainly result from entitlements acquired during the year under review, are taken into consideration in functional costs in the Consolidated Statement of Income. Differences between the assumptions made and actual developments as well as changes in actuarial assumptions for the measurement of defined benefit plans and similar obligations result in actuarial gains and losses, which are recognized in equity through other comprehensive income.

The discount factors used to calculate the present values of defined benefit pension obligations are determined – with maturities and currencies matching the pension payments – by reference to market yields at the end of the reporting period on high-quality fixed-rate corporate bonds in the respective market. For very long maturities, there are no high-quality corporate bonds available as a benchmark. The respective discount factors are estimated by extrapolating current market rates along the yield curve.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognized in profit or loss when the curtailment or settlement occurs.

Provisions for other risks

Provisions are recognized when an obligation to third parties has been incurred, an outflow of resources is probable and the amount of the obligation can be reasonably estimated. The amount recognized as a provision represents the best estimate of the obligation at the reporting date.

Provisions with an original maturity of more than one year are discounted to the present value of the expenditures expected to settle the obligation at the end of the reporting period.

If the recognition criteria of provisions are not fulfilled and the possibility of a cash outflow upon settlement is not unlikely, the item is presented as a contingent liability (insofar as it is adequately measurable). The amount disclosed as a contingent liability represents the best estimate of the possible obligation at the reporting date. Provisions and contingent liabilities are regularly reviewed and adjusted as further information becomes available or circumstances change.

A provision for expected warranty costs is recognized when a product is sold or when a new warranty programme is initiated. Estimates for accrued warranty costs are particularly based on historical experience. Other assumptions include, but are not limited to, the amount of costs for potential repairs and vehicle buybacks. The provisions are regularly adjusted to reflect new information.

Restructuring provisions are set up in connection with programmes that materially change the scope of business performed by a segment or business unit or the manner in which business is conducted. In most cases, restructuring expenses include termination benefits and compensation payments due to the termination of agreements with suppliers and dealers.

Benefits on termination of employment are recognized when the Group has a detailed formal plan that has either commenced implementation or been announced.



Contract and refund liabilities

Contract liabilities

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

Refund liabilities

A refund liability occurs if the Mercedes-Benz Group receives consideration from a customer and expects to refund some or all of that consideration to the customer. A refund liability is measured at the amount of consideration received for which the Mercedes-Benz Group does not expect to be entitled and is thus not included in the transaction price.

Share-based payment

Share-based payment comprises cash-settled liability awards.

Liability awards are measured at fair value at each balance sheet date until settlement and are classified as provisions under consideration of vesting conditions.

The profit or loss of the period equals the addition to and/or the reversal of the provision during the reporting period and the dividend equivalent paid during the period, and is included in functional costs.

Presentation in the Consolidated Statement of Cash Flows

Cash-effective government grants are shown in cash flow from operating activities. In addition, interest paid as well as interest and dividends received are allocated to cash flow from operating activities. To the extent that the reverse factoring agreements entered into by the Mercedes-Benz Group do not result in changes in the presentation of the original trade payables, the cash flows from these agreements are also presented in cash flow from operating activities. Furthermore, all cash flows of receivables from financial services in the Consolidated Statement of Cash Flows are also classified as cash flow from operating activities.

The cash flows from short-term marketable debt securities with high turnover rates and significant amounts are offset and presented within cash flow from investing activities.

**Sustainability related aspects in connection with the recognition and measurement of assets and liabilities**

In preparing the Consolidated Financial Statements, the potential impacts of climate change and future regulatory requirements were taken into account as part of the transformation of the automotive industry towards electric mobility.

As a player in the transport sector, the Mercedes-Benz Group supports the Paris Climate Agreement. Decarbonization, as a core strategic element, is one of the six sustainability focus areas. The course of the transformation towards an electrification of the vehicle fleet is determined not only by market conditions but primarily by infrastructure and customer preferences. The Mercedes-Benz Group actively supports customers in switching to emission-free mobility through electric vehicles and the expansion of the charging infrastructure, as well as offering charging with electricity from renewable energy sources.

The parallel development, model maintenance, and production of electric and internal combustion vehicles lead to a high investment requirement. This is addressed by sustainably leveraging synergies between new and existing model series for the further development of the product portfolio, which simultaneously ensures high flexibility.

Accounting estimates and management judgements in connection with sustainability-related aspects include, in particular, the following issues:

The determination and review of the useful lives of the capitalized development costs takes into account possible impacts from the transformation of the automotive industry. Especially the expected product life cycle can change due to altered customer behaviour or regulatory requirements, but also due to product decisions made during the year compared to the originally planned product life cycle.

In the same way, the useful lives of property, plant and equipment assets are regularly reviewed in the light of the transformation. This did not require any material adjustment of the useful lives up to the reporting date as the production facilities of the Group are basically flexible in use and thus enable adaptation to different vehicle production scenarios.

No significant obligations to dismantle or remove production facilities and plants that would give rise to a provision existed on the reporting date.

The increasing tightening of emissions regulations makes it necessary to carefully analyse legal requirements. This may require the purchase of emission permits and accounting for any resulting obligations. The amount of these provisions is determined on the basis of the expected value of the certificates or rights to be returned. The provisions recognized as of the reporting date are reported under other provisions in [Note 23](#).

The recoverability of leased vehicles classified as operating leases is reviewed regularly. When determining recoverability, the residual value of the leased vehicles is particularly relevant. As a result of the transformation towards an electrification of the vehicle fleet, residual values can be influenced by changing customer behaviour, new regulatory requirements and further technological developments. For example, stricter emissions regulations, increasing demand for zero-emission vehicles, and technological innovations can significantly influence the residual value of vehicles. No significant impairment losses were required for vehicles with gasoline or diesel engines in the reporting year. For all-electric vehicles and plug-in hybrid vehicles, impairment losses of the leased items were recorded due to the factors mentioned above. These are shown in [Note 12](#).



The recoverability of inventories is also regularly reviewed. Information on the impairment of inventories is presented in [Note 18](#).

The expected proceeds from the disposal of vehicles pledged as collateral are taken into account in the determination of expected credit losses for receivables from financial services. The expected proceeds from the disposal are based on an estimate of the market value at the expected time of a possible default. An analysis regarding a possible increase in the default risk and a reduction of the estimated market values resulting from a shift in customer behaviour due to climate change effects or other sustainability risks was conducted as of the reporting date. An insignificant additional allowance for credit losses was recognized on the affected receivables.

To consistently reduce CO₂ emissions at its own sites, the Mercedes-Benz Group is focusing, among other things, on sourcing green electricity. To this end, the Mercedes-Benz Group has concluded power purchase agreements with terms of 4 to 15 years. Overall, these contracts are currently of minor importance to the Group in relation to its cash flows, liquidity and capital resources, as they will only start producing electricity in 2027.

The impairment test on the level of the cash-generating units is based on the corporate planning for five years and the strategic positioning of the Mercedes-Benz Group. This provides for a step by step substitution of vehicles with combustion engines by electric vehicles. For both Mercedes-Benz Cars and Mercedes-Benz Vans, an increase in sales and revenue volume is expected. An increase in the share of fully electric vehicles is assumed and this assumption also takes into account the fact that fully electric vehicles will incur higher variable costs compared to vehicles with conventional powertrains during the planning period. The Mercedes-Benz Group plans to increase the share of all-electric vehicles in the respective new vehicle fleets of Mercedes-Benz Cars and Mercedes-Benz Vans to up to 50% in the second half of the decade. In addition, assumptions are made regarding the necessary scope of research and development expenditure, the sales launch of new vehicle models, the composition of the leasing portfolio, as well as investments in resource-efficient production facilities, expenditures for managing the production network, and expenditures related to CO₂ regulation. The impairment test of the cash-generating units reflects the aforementioned transformation goal for the share of all-electric vehicles and vehicles with conventional powertrains both in forecasted planning periods and in the calculation of the terminal value.

No growth was assumed in the derivation of the terminal value, due in part to the not yet completely predictable effects of the competitive situation and customer behaviour in the course of the transition to electric mobility. The impairment test carried out in 2025 did not result in any impairment requirement for the cash-generating units.



2. Accounting estimates and management judgements

In the Consolidated Financial Statements, it is to a certain degree necessary to make estimates and management judgements which can affect the amounts and reporting of assets and liabilities, the reporting of contingent assets and liabilities on the balance sheet date, and the income and expense reported for the period. The major items affected by such estimates and management judgements are described as follows. Actual amounts may differ from the estimates. Changes in the estimates and management judgements can have a material impact on the Consolidated Financial Statements.

Macroeconomic Uncertainties

The Mercedes-Benz Group continuously analyses the potential impacts of macroeconomic and geopolitical developments on the Group. In particular, the introduction of new tariffs or the increase of existing tariffs by jurisdictions and countermeasures by other states can lead to changing markets and increased uncertainty. When updating related estimates and judgements, available information on the tariff rates and country-specific government programmes and measures on the balance sheet date is taken into account. In this context, management judgements

mainly play a role in the valuation of inventories, accounting for rebates under the US tariff rebate programme, the assessment of future residual values of leased vehicles, the valuation of provisions, and in connection with impairment tests for the cash-generating units.

Recoverable amounts of cash-generating units and equity-method investments

In the context of impairment tests for non-financial assets, estimates have to be made to determine the recoverable amount of a cash-generating unit. Assumptions have to be made in particular with regard to future cash inflows and outflows for the planning period and the following periods. The estimates mainly refer to future unit sales, growth in the respective markets and the profitability of the products, which are also highly dynamic and thus uncertain amongst others as a result of the transition to electric mobility.

When objective evidence of impairment or impairment reversal is present, estimates and assessments also have to be made to determine the recoverable amount of an equity-method investment. The determination of the recoverable amount is based on assumptions regarding future business developments for the determination of the expected future cash flows of that investment. On the balance sheet date, the carrying amount of equity-method investments was €10,037 million (31 December 2024: €12,786 million).

Recoverable amount of equipment on operating leases

Based on the decision of whether the economic ownership of the leased asset in the context of leasing a Group product is attributable to the lessor (operating leases) or the lessee (finance leases) the Mercedes-Benz Group regularly reviews the factors determining the values of its leased vehicles from operating leases (carrying amount as of 31 December 2025: €39,472 million; 31 December 2024: €45,220 million). In particular, it is necessary to estimate the residual values of vehicles, which constitute a substantial part of the expected future cash inflows from equipment on operating leases. In this context, assumptions are made regarding major influencing factors, such as the expected number of returned leased vehicles and the latest remarketing results. Those assumptions are determined by qualified estimates. The qualified estimates are based on publications by expert third parties and data from external market research institutes as well as internal calculations and additional information available, such as historical experience and current sales data.



In addition, knowledge about new regulatory requirements or changes in customer behaviour is included in the residual value estimates. The residual values thus determined serve as a basis for scheduled depreciation; changes in residual values lead either to a prospective adjustment of the scheduled depreciation or, in the case of a significant decline in expected residual values, to an impairment. If scheduled depreciation is prospectively adjusted, changes in estimates of residual values do not have a direct effect but are equally distributed over the remaining term of the lease contract.

Collectability of receivables from financial services

The Group regularly estimates the risk of default on receivables from financial services (carrying amount as of 31 December 2025: €76,289 million; 31 December 2024: €87,867 million). Many factors are taken into consideration in this context, including historical loss experience, the size and composition of certain portfolios, current economic events and conditions and the current fair values and adequacy of collaterals. In addition to historical and current information on losses, appropriate and reliable forward-looking information on factors is also included. This information includes macroeconomic factors (e.g. gross domestic product growth, unemployment rate, cost performance index) and forecasts of future economic conditions. For receivables from financial services, these forecasts are performed using a scenario analysis (basic scenario, optimistic scenario and pessimistic scenario). Further

external information which cannot be depicted in the scenarios, is – as far as necessary – included in the assessment through subsequent adjustments. Changes to the estimation and assessment of these factors influence the allowance for credit losses with a resulting impact on the Group's net profit.

Product warranties

The Group provides various types of product warranties, depending on the type of product and market conditions. Provisions for product warranties (carrying amount as of 31 December 2025: €7,091 million; 31 December 2024: €6,934 million) are generally recognized at the time of vehicle sale. In order to determine the extent of these provisions, assumptions have to be made concerning the type and extent of expected statutory and contractual warranty claims, of future goodwill cases and of possible recall campaigns. These assessments are based on experience of the frequency and extent of vehicle faults and defects in the past. In addition, the estimates also include assumptions on the amounts of potential repair costs per vehicle and the effects of possible time or mileage limits. The discount factors are also based on estimates to a certain extent. The provisions are regularly adjusted to reflect new information.

Liability and litigation risks and regulatory proceedings

Mercedes-Benz Group AG and its subsidiaries are confronted with various legal proceedings and claims as well as governmental investigations and orders covering a wide range of topics. If the outcome of such legal proceedings is detrimental to the Mercedes-Benz Group or such proceedings are settled, the Group may encounter substantial financial burdens, e.g. from damages payments, monetary penalties, service actions, recall campaigns or other costly actions, which would adversely affect the earnings of Mercedes-Benz Group AG. Litigation and governmental investigations often involve complex legal or factual issues and are associated with a high degree of uncertainty.

Mercedes-Benz Group AG and its subsidiaries recognize provisions for pending and threatened legal proceedings if an obligation is probable and its amount can be sufficiently accurately estimated. These provisions are included in the Consolidated Financial Statements and are based on estimates. Contingent liabilities related to legal proceedings are disclosed in the Consolidated Financial Statements if they can be assessed. Risks from legal proceedings are sometimes not estimable or only to a limited extent. Accordingly, the assessment of whether a present obligation exists at the reporting date as a result of a past event, whether a future outflow of resources is probable, and whether the obligation can be reliably estimated, involves a significant degree of managerial judgement.



The Mercedes-Benz Group regularly assesses the status of each proceeding and thus the amount of the provision for pending and threatened legal proceedings, also involving external lawyers. As of 31 December 2025, the carrying amounts of provisions for liability and litigation risks were €1,891 million (31 December 2024: €1,683 million).

Changes in estimates and assumptions can have a material effect on the Group's future profitability, cash flows and financial position. It is possible that provisions recognized for some legal proceedings may turn out to be insufficient once such proceedings have ended. The Mercedes-Benz Group may also become liable for payments in legal proceedings for which no provisions were established or contingent liabilities were disclosed. Uncertainty also exists with regard to the amounts or due dates of possible cash outflows. Although the final result of any such proceedings could have a material effect on the Mercedes-Benz Group's earnings and cash flows for a particular reporting period, from the current assessment, the Mercedes-Benz Group does not expect this to result in any sustained impact on the Group's financial position.

Pensions and similar obligations

The calculation of provisions for pensions and similar obligations and the related pension cost are based on various actuarial valuations. The calculations are subject to various assumptions on matters such as current actuarially developed probabilities (e.g. discount factors and cost-of-living increases), future fluctuations with regard to age and period of service, and experience with the probability of occurrence of pension payments, annuities or lump sums. As a result of changed market or economic conditions, the probabilities caused by the influencing factors may differ from current developments.

The financial effects of deviations of the main factors are calculated with the use of sensitivity analyses. As of 31 December 2025 provisions for pensions and similar obligations amounted to €807 million (31 December 2024: €952 million).

Income taxes

The calculation of income taxes of Mercedes-Benz Group AG and its subsidiaries is based on the legislation and regulations applicable in the various countries. Due to their complexity, the tax items presented in the Consolidated Financial Statements are possibly subject to different judgements by taxpayers on the one hand and local tax authorities on the other hand. Different judgements can occur especially in connection with the recognition and measurement of balance sheet items as well as in connection with the tax assessment of expenses and income. The carrying amounts of liabilities for income taxes as of 31 December 2025 were €1,666 million (31 December 2024: €2,047 million).



3. Consolidated Group

Composition of the Group

A detailed list of the companies included in the Consolidated Financial Statements and of the equity investments of the Mercedes-Benz Group pursuant to Section 313 of the German Commercial Code (HGB) is provided in the statement of investments in [Note 41](#).

Subsidiaries whose business is non-active or of low volume and are therefore not material for the Group and the fair presentation of its profitability, cash flows and financial position are not consolidated. The criteria here are the share of the balance sheet totals, the aggregate revenues, the aggregate net profits after taxes and the number of employees of the subsidiaries, associated companies, joint ventures and joint operations accounted for at (amortized) cost in relation to the corresponding size of the Group.

Composition of the Group

	31 December	
	2025	2024
Consolidated subsidiaries	235	239
Germany	51	52
International	184	187
Unconsolidated subsidiaries	48	53
Germany	19	21
International	29	32
Joint operations accounted for using proportionate consolidation	1	1
Germany	-	-
International	1	1
Joint ventures accounted for using the equity method	8	8
Germany	2	2
International	6	6
Associated companies accounted for using the equity method	11	11
Germany	3	3
International	8	8
Joint operations, joint ventures and associated companies accounted for at (amortized) cost	13	14
Germany	8	9
International	5	5
Substantial other investments recognized at fair value	8	14
Germany	3	7
International	5	7
Total	324	340

Structured entities

The structured entities of the Group are mainly asset-backed-securities (ABS) companies and special funds. The ABS companies are primarily used for the Group's refinancing. The receivables transferred to structured entities usually result from the leasing and sales-financing business. Those entities refinance the purchase price by issuing securities. The special funds are set up in particular in order to diversify the capital-investment strategy.

At the reporting date, the Group had business relationships with 31 (2024: 29) controlled structured entities, of which 30 are fully consolidated. In addition, as in the previous year, the Group has relationships with one non-controlled structured entity.



Assets and liabilities held for sale and significant disposals

In the 2025 and 2024 financial years, the Group sold subsidiaries and business units. Furthermore, the table below shows the transactions approved by the Board of Management that met the criteria for classification as assets and liabilities held for sale.

	31 December	
	2025	2024
In millions of euros		
Assets held for sale	11,013	160
Athlon	9,120	-
Daimler Truck Holding AG	1,784	-
Own Retail in Germany	109	-
Own Retail in European countries	-	73
Financing portfolio in Austria	-	87
Liabilities held for sale	1,340	46
Athlon	1,339	-
Own Retail in Germany	1	-
Own Retail in European countries	-	31
Financing portfolio in Austria	-	15

Sale of the Athlon Group (Athlon)

At the end of December 2025, the Board of Management of Mercedes-Benz Group AG decided to sell the Athlon Group companies. Mercedes-Benz Group is currently in exclusive negotiations with BNP Paribas. The contract is expected to be signed in the second quarter of 2026.

The criteria for classification as assets held for sale were met as of 31 December 2025. The assets of €9,120 million and liabilities of €1,339 million are presented separately in the balance sheet and are shown in the following table. Depending on the further course of the negotiations, no material effects on profitability are expected from the completion of the transaction. The effects on the cash flows, liquidity and capital resources depend on the final outcome of negotiations. The effects will be primarily attributed to the Mercedes-Benz Financial Services segment.

Sale of shares in Daimler Truck Holding AG

In 2025, the Board of Management of Mercedes-Benz Group AG decided to sell a portion of the shares in Daimler Truck Holding AG (Daimler Truck) accounted for by Mercedes-Benz Group using the at-equity method. The sale will take place in one or more tranches and subject to certain conditions. As of 31 December 2025, the criteria for classifying this share of €1,784 million as assets held for sale were met for the first time. Consequently, the shares previously reported as equity-method investments in this amount are now reported in the Consolidated Statement of Financial Position as held for sale.

The portion reported separately in the Consolidated Statement of Financial Position is included in the reconciliation. Further information on Daimler Truck is provided in [Note 13](#).

The timing of the transactions depends on various factors and is not yet known. The impact on earnings and cash flows, liquidity and capital resources will depend on market conditions at the time of the transaction.

Review of the future structure of Own Retail in Germany (Own Retail in Germany)

In 2024, the Mercedes-Benz Group announced a comprehensive review of the future structure of the Group's Own Retail operations in Germany.

In 2025, the Mercedes-Benz Group concluded contracts with various buyers for the sale of the Own Retail operations in Koblenz, Neu-Ulm, Mainz, Dortmund and Lübeck. Other operating expense of €76 million, primarily for employee compensation payments, was already recognized at the time of the management decision on the transactions.



As a result of the completion of the transactions for the Own Retail operations in Koblenz, Neu-Ulm und Mainz in 2025, other operating income of €101 million and a corresponding cash inflow of €124 million were reported. The sales resulted in the disposal of assets of €106 million and liabilities of €98 million. The assets disposed of primarily consisted of equipment on operating leases of €74 million and inventories of €18 million. The disposed debts included, in particular, liabilities of €69 million. These items were allocated to the Mercedes-Benz Cars and Mercedes-Benz Vans segments.

As of 31 December 2025, assets of approximately €109 million and liabilities of approximately €1 million for the Own Retail operations in Dortmund and Lübeck were presented separately in the Consolidated Statement of Financial Position as assets and liabilities held for sale. The assets and liabilities relate to both vehicle segments.

**Assets and liabilities held for sale as of
31 December 2025**

	Athlon	Own Retail Germany
In millions of euros		
Assets held for sale	9,120	109
Intangible assets	49	-
Property, plant and equipment including right-of-use assets	37	26
Equipment on operating leases	7,893	53
Inventories	145	30
Trade receivables	42	-
Receivables from financial services	430	-
Cash and cash equivalents	22	-
Other financial assets	255	-
Miscellaneous assets	247	-
Liabilities held for sale	1,339	1
Provisions	3	-
Trade payables	427	-
Financing liabilities	500	-
Other financial liabilities	71	1
Miscellaneous liabilities	338	-

Sale of production and sales capacities in Argentina

In February 2025, the Board of Management of Mercedes-Benz Group AG resolved to sell the production and sales capacities in Argentina. The contract was also signed in February 2025. The transaction was completed on 17 June 2025.

In 2025, this gave rise to other operating expenses of €398 million, which in addition to impairments of property, plant and equipment and inventories of €237 million also included losses from currency translation, including hyperinflation effects, of €159 million and transaction costs of €2 million. The expenses were mainly allocated to the Mercedes-Benz Vans segment.

The assets of €279 million disposed of with the deconsolidation, which were mainly production-related, essentially included inventories of €79 million, trade receivables of €35 million, debt instruments of €28 million as well as cash and cash equivalents of €40 million. The disposed liabilities of €153 million included in particular provisions of €50 million, trade payables of €34 million and contract liabilities of €31 million.



The purchase price, taking into account existing internal receivables and liabilities up to the time of deconsolidation, amounted to €126 million. The Group received €78 million from this transaction in 2025.

Sale of sales companies and retail activities in other European countries

In 2024, the Group divested retail activities in Italy, France, Sweden, Poland, Denmark, Portugal and the Netherlands. The disposals resulted in a total income of €96 million and a cash inflow of €374 million. The assets disposed of in the deconsolidation amounting to €716 million mainly included inventories of €239 million, property, plant and equipment of €134 million, equipment on operating leases of €118 million, trade receivables of €107 million and cash and cash equivalents of €21 million. The disposed liabilities of €159 million included in particular financing liabilities and other financial liabilities of €73 million.

The assets and liabilities held for sale in the Consolidated Statement of Financial Position as of 31 December 2024 related to retail activities in Poland. The Group sold these in January 2025. There were no further significant effects on the profitability and the cash flows, liquidity and capital resources. All of the above effects were mainly allocated to the Mercedes-Benz Cars segment.

Sale of financing portfolio in Austria

In 2023, the former Mercedes-Benz Mobility AG decided to no longer offer credit financing in Austria and thus to sell the financing portfolio of Mercedes-Benz Bank GmbH in Austria. In the Consolidated Statement of Financial Position as of 31 December 2024, assets and liabilities were reported as assets and liabilities held for sale, which were fully allocated to the Mercedes-Benz Financial Services segment. The transaction was completed in March 2025. There were no significant effects on profitability and cash flows and liquidity.

4. Revenue

Revenue in 2025 was below the previous year's level. This was primarily due to the decrease in unit sales in connection with negative net pricing effects, the negative development of exchange rates and the decrease in the component business with Beijing Benz Automotive Co., Ltd. (BBAC), which is an equity-method investment.

Revenue disclosed in the Consolidated Statement of Income includes revenue from contracts with customers, which are in the scope of IFRS 15 (revenue according to IFRS 15), and other revenue not in the scope of IFRS 15. The composition of the revenue in the Consolidated Statement of Income is shown by region in [Note 33](#).

Revenue according to IFRS 15 is disaggregated by the two categories "type of products and services" and "geographical regions". The category "type of products and services" corresponds to the reported segments.



Revenue according to IFRS 15 includes revenue that was included in contract liabilities at 31 December 2024 in the amount of €2,948 million (2024: €2,832 million) and revenue from performance obligations fully or partially satisfied in previous periods in the amount of €194 million (2024: €222 million). Revenue related to performance obligations that were unsatisfied (or partially unsatisfied) by the end of the reporting period that is expected to be recognized within three years amounted to €7,336 million at 31 December 2025 (2024: €7,327 million). This revenue is mainly derived from long-term service and maintenance contracts and extended warranties. It does not include performance obligations from customer contracts that have initial expected durations of one year or less.

Long-term performance obligations of minor importance to the overall contract value of a bundled contract are not considered in assessing the initial duration of the bundled contract.

Other revenue primarily comprises revenue from the rental and leasing business of €11,338 million (2024: €10,695 million), interest from the financial services business at Mercedes-Benz Financial Services recognized using the effective-interest method in the amount of €5,208 million (2024: €5,738 million) and effects from currency hedging. Interest from the financial services business includes financial income on the net investment in leases of €1,153 million (2024: €1,233 million).

Revenue

	Mercedes-Benz Cars		Mercedes-Benz Vans		Mercedes-Benz Financial Services		Total segments		Reconciliation ¹		Mercedes-Benz Group	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
In millions of euros												
Europe	36,518	37,350	11,526	12,540	4,525	4,539	52,569	54,429	-3,189	-3,883	49,380	50,546
North America	22,526	25,650	2,418	3,319	3,974	4,519	28,918	33,488	-385	-270	28,533	33,218
Asia	28,577	35,883	809	1,012	155	127	29,541	37,022	-12	-18	29,529	37,004
Other markets	5,647	5,562	1,902	2,108	46	43	7,595	7,713	-4	-4	7,591	7,709
Revenue according to IFRS 15	93,268	104,445	16,655	18,979	8,700	9,228	118,623	132,652	-3,590	-4,175	115,033	128,477
Other revenue	3,139	3,316	493	341	15,925	15,855	19,557	19,512	-2,376	-2,395	17,181	17,117
Total revenue	96,407	107,761	17,148	19,320	24,625	25,083	138,180	152,164	-5,966	-6,570	132,214	145,594

¹ The reconciliation includes eliminations of intra-Group revenue between the segments.



5. Functional Costs

Cost of sales

Cost of sales	2025	2024
In millions of euros		
Expense of goods sold	-89,757	-97,885
Depreciation of equipment on operating leases	-7,882	-7,895
Refinancing costs from the financial services business	-3,881	-4,046
Impairment losses on receivables from financial services	-519	-528
Other cost of sales	-7,842	-6,664
	-109,881	-117,018

In 2025, the cost of sales was below the prior-year level. Both the decrease in unit sales and cost efficiencies, primarily in purchasing and manufacturing, were opposed by increased tariff expenses, additional expenses from the measurement of provisions for commission models in previous vehicle financing in the Mercedes-Benz Financial Services segment as well as expenses from the optimization programme “Next Level Performance” launched in April. The amortization expense of capitalized development costs in the amount of €2,394 million (2024: €2,005 million) is presented in expense of goods sold.

Selling expenses

Selling expenses amounted to €9,718 million in 2025 (2024: €9,993). Selling expenses consist of direct selling costs as well as selling overhead expenses and comprise personnel expenses, material costs and other selling costs.

General administrative expenses

General administrative expenses amounted to €2,477 million in 2025 (2024: €2,529 million). They consist of expenses which are not attributable to production, sales or research and development functions, and include personnel expenses, depreciation and amortization of fixed and intangible assets, and other administrative costs.

For both **selling expenses** and **general administrative expenses**, the increased costs associated with optimization programmes were offset by lower expenses resulting from efficiency measures.

Research and non-capitalized development costs

Research and non-capitalized development costs were €6,055 million in 2025 (2024: €5,580 million) and primarily comprise personnel expenses and material costs. The increase is mainly due to expenses from the optimization programmes.

Personnel expenses and average number of employees

Personnel expenses included in the Consolidated Statement of Income for 2025 amounted to €18,019 million (2024: €17,301 million). The increase is mainly due to expenditures related to optimization programmes. Personnel expenses comprise wages and salaries in the amount of €15,021 million (2024: €14,374 million), social-security contributions in the amount of €2,588 million (2024: €2,497 million) and expenses from pension obligations in the amount of €410 million (2024: €430 million).

Average number of employees ¹	2025	2024
Mercedes-Benz Cars ²	135,740	142,782
Mercedes-Benz Vans	17,223	18,984
Mercedes-Benz Financial Services	9,035	9,538
Central Functions & Services	7,242	7,987
	169,240	179,291

¹ Active workforce (including holiday workers, excluding thesis writers, interns, working students, PhD students, senior experts and trainees) in headcount as an average number for the year.

² Proportionally including 1,316 (2024: 2,130) employees from a proportionately consolidated company.



Optimization programmes

Expenses from the workforce adjustment programme for employees in indirect areas in Germany agreed with the General Works Council in March 2025 had an impact on all functional cost areas in 2025.

The programme started in April 2025 and is based on double voluntary participation by both employees and company. In addition, expenses from optimization programmes abroad are included, which are also related to the “Next Level Performance” programme.

The total expenses relating to the optimization programmes amounted to €1,616 million in 2025.

Optimization programmes in the year 2025

	Mercedes-Benz Cars	Mercedes-Benz Vans	Mercedes-Benz Financial Services	Reconciliation	Mercedes-Benz Group
In millions of euros					
Cost of sales	-369	-39	-20	-	-428
Selling expenses	-343	-42	-30	-	-415
General administrative expenses	-89	-1	-102	-181	-373
Research and non-capitalized development costs	-389	-7	-	-	-396
Other operating income and expense	-1	-	-3	-	-4
EBIT	-1,191	-89	-155	-181	-1,616



6. Other operating income and expense

Other operating income		
	2025	2024
In millions of euros		
Income from costs recharged	712	932
Rental income not relating to sales financing	172	304
Government grants	80	69
Gains on sales of property, plant and equipment	84	31
Income from company transactions	34	126
Own Retail in Germany	101	-
Other miscellaneous income	368	1,045
	1,551	2,507

Income from costs recharged to third parties includes IT and logistics costs as well as other income from recharged costs related to expenses primarily within functional costs.

The decrease in other operating income in 2025 mainly resulted from the reversal of provisions in connection with governmental and court proceedings and measures taken relating to Mercedes-Benz diesel vehicles that were included in the comparison period.

Other operating expense		
	2025	2024
In millions of euros		
Loss from deconsolidation	-398	-2
Losses on sales of property, plant and equipment	-119	-136
Own Retail in Germany	-84	-
Other miscellaneous expense	-424	-345
	-1,025	-483

In 2025, expenses of €398 million in connection with the sale of the production and sales capacities in Argentina are included. These expenses are mainly attributable to the Mercedes-Benz Vans segment.

Other operating income and expense include income and expenses related to the sale of group-owned Own Retail operations in Germany (Own Retail in Germany). Further information can be found in [Note 3](#).

7. Other financial income/expense

Other financial income/expense, net		
	2025	2024
In millions of euros		
Income and expense from compounding and effects from changes in discount rates of provisions for other risks	-239	-396
Income and expense from equity instruments	119	30
Income and expense from marketable debt securities and similar investments	164	242
Income and expense from foreign currency valuation of financial instruments	-143	-196
Miscellaneous other financial income/expense, net	192	283
	93	-37

In 2025, miscellaneous other financial income/expense, net primarily includes valuation effects from derivative financial instruments that are not included in hedge accounting. In 2024, the line primarily included a positive effect on earnings of €223 million from the revaluation of the liabilities recognized in the context of the share buyback programmes.



8. Interest income and interest expense

Interest income and interest expense		
	2025	2024
In millions of euros		
Interest income		
Net interest income on the net assets of defined benefit pension plans	58	25
Interest and similar income	565	713
	623	738
Interest expense		
Net interest expense on the net obligation from defined benefit pension plans	-35	-41
Interest and similar expense	-124	-149
	-159	-190

9. Income taxes

Components of income tax expense		
	2025	2024
In millions of euros		
Current taxes	-1,231	-3,908
Deferred taxes	278	170
Deferred taxes due to temporary differences	-790	135
Deferred taxes due to tax-loss carryforwards and tax credits	1,068	35
	-953	-3,738

The current tax expense includes tax benefits recognized for prior periods at German and foreign companies of €558 million (2024: €318 million). The deferred tax income on loss carryforwards and tax credits increased mainly due to tax losses in Germany and the United States.

The Group is within the scope of the OECD Pillar 2 model rules and the Act to Ensure Global Minimum Taxation for Groups of Companies (Minimum Tax Act – MinStG), and it applies the exception rule according to IAS 12, which stipulates that no deferred tax assets and liabilities are accounted for in connection with the income taxes of Pillar 2 of the OECD. The Mercedes-Benz Group has recognized insignificant income tax effects in 2025 due to the Minimum Tax Act.

In order to determine the expected income tax expense in the following table, the German combined statutory tax rate of 29.825% applicable in the financial year is multiplied by the profit before taxes.

Reconciliation of expected income tax expense to actual income tax expense		
	2025	2024
In millions of euros		
Expected income tax expense	-1,874	-4,219
Foreign tax-rate differential	270	307
Trade tax-rate differential	48	26
Tax-law changes	723	78
Change of unrecognized deferred tax assets including write-down of deferred tax assets	-59	-76
Tax-free income and non-deductible expenses	-33	376
Other	-28	-230
Actual income tax expense	-953	-3,738

The planned reduction in the corporate tax rate in Germany from 2028 onwards required a revaluation of deferred taxes for German subsidiaries in 2025. This resulted in a tax income of €717 million, which is included in the line item Tax-law changes.

Tax-free income and non-deductible expenses in the table above includes all reconciling items of German and foreign companies relating to tax-free income and non-deductible expenses, e.g. tax-free gains/losses on the equity-method investments. The change compared to the previous year results, among other things, from



an increase of tax income from prior years in 2025 and from reduced non-deductible expenses, especially related to income from investments.

The other items which include, among other things, effects from withholding taxes on dividends, patents and licenses, decreased compared to the prior year due to reduced foreign tax expenses and a decrease in deferred tax liabilities on forecasted distributions.

Deferred tax assets and liabilities are offset if the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority and if there is the right to set off current tax assets against current tax liabilities. In the presentation of deferred tax assets and liabilities in the Consolidated Statement of Financial Position, no difference is made between current and non-current.

The breakdown of deferred tax assets and liabilities presented in the consolidated balance sheet with regard to the type of temporary differences in the balance sheet items before offsetting and the type of unused tax loss carryforwards and unused tax credits as of 31 December is shown in the following table.

At 31 December 2025, unrecognized deferred tax assets in the Consolidated Statement of Financial Position relate to tax-loss carryforwards and tax credits of €144 million (2024: €116 million) that can largely be carried forward indefinitely and to temporary differences of €61 million (2024: €1 million).

The Group believes that it is more likely than not that it will be unable to utilize the unrecognized deferred tax assets.

From the current perspective, the retained earnings of non-German subsidiaries are largely intended to be reinvested in those operations. The Group did not recognize deferred tax liabilities on retained earnings which are intended to be reinvested at non-German subsidiaries of €34,332 million (2024: €36,505 million). If those earnings were paid out as dividends, an amount of 5% would be taxed under German taxation rules and they may be subject to non-German withholding taxes. Additionally, other income tax consequences might arise if the dividends first have to be distributed by a non-German subsidiary to a non-German holding company. Normally, distribution would lead to an additional income tax expense. Estimating the amount of taxable temporary differences for these undistributed foreign earnings would require a disproportionate effort. Deferred tax liabilities on expected distributions from subsidiaries and potential distributions from associated companies amount to a total of €246 million (2024: €321 million).

In the Group, several years have not been finally assessed for tax purposes. The Mercedes-Benz Group believes that it has recognized adequate liabilities for any future income taxes that may be owed for all open tax years. Nevertheless, it cannot be ruled out that tax arrears payments might exceed the liabilities recognized in the financial statements.

As a result of future adjudications or changes in the opinions of the fiscal authorities, it cannot be ruled out that the Mercedes-Benz Group might receive tax refunds for previous years. In particular, from 2012 to 2021, Mercedes-Benz Group AG incurred currency exchange-rate related losses of €2.1 billion from the financing of Group companies based abroad, which were compensated for by corresponding hedging instruments. For the years until 2021, the German tax authorities consider that exchange-rate related losses from the financing of Group companies are generally not to be recognized, while the compensating profits from the hedging activities remain taxable. In 2021, the German Modernization of Corporate Income Tax Act stipulated that such exchange-rate losses are generally deductible. However, this only applies from 2022 onwards. The company does not share the legal opinion held by the tax authorities regarding the years up to 2021. In the meantime, a lawsuit has also been filed with the Finance Court. As of February 2026, the tax court proceedings had progressed but were not yet fully concluded. At present, this has no impacts on the company's Profitability, Cash Flows and Financial Position.

**Split of deferred tax assets and liabilities**

	31 December		31 December	
	2025	2024	2025	2024
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
In millions of euros				
Intangible assets, mainly capitalized development costs	160	-5,173	220	-5,301
Property, plant and equipment	498	-2,027	470	-2,469
Equipment on operating leases	2,496	-4,789	3,647	-4,664
Inventories	1,707	-301	1,749	-73
Receivables from financial services	634	-1,530	501	-2,168
Miscellaneous assets, mainly other financial assets	3,949	-1,404	5,044	-729
Tax-loss carryforwards and unused tax credits	1,434	-	340	-
Provisions for pensions and similar obligations	111	-2,314	143	-2,787
Other provisions	1,193	-810	1,008	-487
Miscellaneous liabilities, mainly liabilities	2,880	-620	3,399	-888
	15,062	-18,968	16,521	-19,566
Unrecognized deferred tax assets	-205	-	-117	-
thereof on temporary differences	-61	-	-1	-
thereof on tax-loss carryforwards and tax credits	-144	-	-116	-
Deferred tax assets and liabilities (unbalanced)	14,857	-18,968	16,404	-19,566
Balance sheet amounts of deferred tax assets and liabilities (balanced)	6,090	-10,201	4,335	-7,497
Deferred tax assets/deferred tax liabilities, net		-4,111		-3,162



Changes in deferred tax assets/deferred tax liabilities, net		
	2025	2024
In millions of euros		
Deferred tax assets/deferred tax liabilities, net as of 1 January	-3,162	-3,587
Deferred tax expense/benefit in the Consolidated Statement of Income	278	170
Change in deferred tax assets/liabilities on equity instruments included in other comprehensive income/loss	1	30
Change in deferred tax assets/liabilities on debt instruments included in other comprehensive income/loss	-1	-3
Change in deferred tax assets/liabilities on derivative financial instruments included in other comprehensive income/loss	-336	504
Change in deferred tax assets/liabilities on actuarial gains/losses from defined benefit pension plans included in other comprehensive income/loss	-777	-226
Other changes ¹	-114	-50
Deferred tax assets/deferred tax liabilities, net as of 31 December	-4,111	-3,162

¹ The other changes primarily relate to changes in the scope of consolidation and effects of currency translation.

10. Intangible assets

Intangible assets developed as shown on the following page.

At 31 December 2025, goodwill of €359 million (2024: €388 million) related to the Mercedes-Benz Financial Services segment, goodwill of €331 million (2024: €345 million) related to the Mercedes-Benz Cars segment and goodwill of €20 million (2024: €21 million) related to the Mercedes-Benz Vans segment.

At 31 December 2025, development costs of €16,376 million (2024: €15,695 million) related to the Mercedes-Benz Cars segment and €2,092 million (2024: €1,558 million) to the Mercedes-Benz Vans segment.

Non-amortizable intangible assets primarily relate to goodwill and development costs for projects which have not yet been completed (carrying amount at 31 December 2025: €6,615 million; 2024: €9,549 million). In addition, other intangible assets with a carrying amount of €494 million (2024: €404 million) are not amortizable. These assets relate in particular to emission certificates and sales rights of the vehicle segments with indefinite useful lives. The Group plans to continue to use these assets unchanged.

The following table shows the line items of the Consolidated Statement of Income in which total amortization expense for intangible assets is included.

Depreciation expense for intangible assets in the Consolidated Statement of Income		
	2025	2024
In millions of euros		
Cost of sales	2,751	2,262
Selling expenses	39	34
General administrative expenses	81	72
Research and non-capitalized development costs	17	19
	2,888	2,387

**Intangible assets**

	Goodwill (acquired)	Development costs (internally generated) ¹	Other intangible assets (acquired)	Total
In millions of euros				
Acquisition/manufacturing costs				
Balance at 1 January 2024	864	24,769	4,424	30,057
Additions	-	4,136	490	4,626
Transfers	-	-	-58	-58
Disposals	-1	-1,801	-1,093	-2,895
Other changes ²	13	-	53	66
Balance at 31 December 2024	876	27,104	3,816	31,796
Additions	-	3,625	635	4,260
Transfers	-	-	-	-
Disposals	-	-94	-768	-862
Other changes ²	-51	-	-369	-420
Balance at 31 December 2025	825	30,635	3,314	34,774
Depreciation/impairment				
Balance at 1 January 2024	119	9,620	2,725	12,464
Additions	-	2,018	369	2,387
Disposals	-	-1,787	-744	-2,531
Other changes ²	3	-	37	40
Balance at 31 December 2024	122	9,851	2,387	12,360
Additions	-	2,410	478	2,888
Disposals	-	-94	-582	-676
Other changes ²	-7	-	-338	-345
Balance at 31 December 2025	115	12,167	1,945	14,227
Carrying amount at 31 December 2024	754	17,253	1,429	19,436
Carrying amount at 31 December 2025	710	18,468	1,369	20,547

1 Including capitalized borrowing costs on development costs of €84 million (2024: €100 million). Amortization amounted to €16 million (2024: €13 million).

2 Mainly relates to changes due to reclassification to the balance sheet item "Assets held for sale", currency translations and changes in the scope of consolidation.



11. Property, plant and equipment including right-of-use assets

Property, plant and equipment as shown in the Consolidated Statement of Financial Position with a carrying amount of €27,340 million (2024: €26,537 million) also includes right-of-use assets that the Group received as lessee. Property, plant and equipment, including right-of-use assets, developed as shown on the following page.

In 2025, government grants of €26 million (2024: €30 million) were deducted from the carrying amount of property, plant and equipment.

The following tables show additional disclosures related to lessee accounting.

Expenses related to lessee accounting		
	2025	2024
In millions of euros		
Interest expense from lease transactions	72	72
Expenses from short-term leases	26	26
Expenses from leases of low-value assets	18	17
Expenses from variable lease payments	70	54

Cash outflows related to lessee accounting		
	2025	2024
In millions of euros		
Total cash outflow for lease contracts	693	667
Future cash outflows that are not reflected in the lease liabilities	4,384	4,447

Further information on lessee accounting is provided in [Note 24](#) and [Note 32](#).



Property, plant and equipment including right-of-use assets

	Land, land rights and buildings, including buildings on land owned by others	thereof right-of-use assets from leasing	Technical equipment and machinery	thereof right-of-use assets from leasing	Other equipment, factory and office equipment	thereof right-of-use assets from leasing	Advance payments and construction in progress	Total	thereof right-of-use assets from leasing
In millions of euros									
Acquisition/manufacturing costs									
Balance at 1 January 2024	18,394	3,605	23,434	827	30,285	85	2,227	74,340	4,517
Additions	547	405	615	24	861	27	2,472	4,495	456
Transfers	216	-1	568	58	297	1	-1,023	58	58
Disposals	-272	-215	-1,525	-272	-867	-29	-90	-2,754	-516
Other changes ¹	377	238	165	9	460	4	29	1,031	251
Balance at 31 December 2024	19,262	4,032	23,257	646	31,036	88	3,615	77,170	4,766
Additions	677	527	766	76	1,608	10	3,044	6,095	613
Transfers	727	-	668	-	500	-	-1,895	-	-
Disposals	-367	-302	-1,638	-157	-894	-9	-69	-2,968	-468
Other changes ¹	-616	-253	-345	-10	-739	-5	-63	-1,763	-268
Balance at 31 December 2025	19,683	4,004	22,708	555	31,511	84	4,632	78,534	4,643
Depreciation/impairment									
Balance at 1 January 2024	8,965	1,661	15,536	484	23,691	54	58	48,250	2,199
Additions	769	456	1,730	145	1,898	18	3	4,400	619
Disposals	-170	-135	-1,512	-272	-805	-28	-	-2,487	-435
Other changes ¹	75	39	80	5	315	1	-	470	45
Balance at 31 December 2024	9,639	2,021	15,834	362	25,099	45	61	50,633	2,428
Additions	846	468	1,583	84	1,918	18	4	4,351	570
Disposals	-246	-155	-1,543	-72	-870	-8	-22	-2,681	-235
Other changes ¹	-275	-137	-218	-5	-574	-2	-42	-1,109	-144
Balance at 31 December 2025	9,964	2,197	15,656	369	25,573	53	1	51,194	2,619
Carrying amount at 31 December 2024	9,623	2,011	7,423	284	5,937	43	3,554	26,537	2,338
Carrying amount at 31 December 2025	9,719	1,807	7,052	186	5,938	31	4,631	27,340	2,024

¹ Mainly relates to changes due to reclassification to the balance sheet item "Assets held for sale", currency translations and changes in the scope of consolidation.



12. Equipment on operating leases

The revenue received from the sale of Group products to external dealers – plus in particular any dealer margin – is estimated by the Group as being of the magnitude of the respective addition to leased equipment at Mercedes-Benz Financial Services. These vehicles generate revenue from lease payments and subsequent resale on the basis of the separate leasing contracts. In 2025, additions to leased equipment from these vehicles at Mercedes-Benz Financial Services amounted to €11.9 billion (2024: €11.4 billion).

At 31 December 2025, equipment on operating leases with a carrying amount of €11,306 million was pledged as security for liabilities from ABS transactions (2024: €10,890 million). These liabilities related to a securitization transaction of future lease payments on leased vehicles. Further information is provided in [Note 24](#).

Equipment on operating leases	
In millions of euros	
Acquisition/manufacturing costs	
Balance at 1 January 2024	54,820
Additions ¹	24,269
Transfers	3
Disposals	-21,788
Other changes ²	893
Balance at 31 December 2024	58,197
Additions ¹	24,742
Transfers	-
Reclassification to assets held for sale	-10,649
Disposals	-19,958
Other changes ²	-2,492
Balance at 31 December 2025	49,840
Depreciation/impairment	
Balance at 1 January 2024	13,108
Additions	7,895
Disposals	-8,240
Other changes ²	214
Balance at 31 December 2024	12,977
Additions	7,882
Reclassification to assets held for sale	-2,703
Disposals	-7,152
Other changes ²	-636
Balance at 31 December 2025	10,368
Carrying amount at 31 December 2024	45,220
Carrying amount at 31 December 2025	39,472

¹ The additions include €9,982 million (2024: €9,770 million) that were not acquired from external dealers.

² Primarily changes from currency translation.

In 2025, impairment losses of €0.1 billion on all-electric vehicles were recorded in the Consolidated Statement of Income. The prior year included €0.4 billion for plug-in hybrid vehicles and all-electric vehicles in the Mercedes-Benz Cars segment.

Lease payments

Maturities of lease payments under operating lease agreements to be paid by lessees to the Mercedes-Benz Group in the future are as follows.

Maturity of undiscounted lease payments for equipment on operating leases

	31 December	
	2025	2024
In millions of euros		
Maturing		
Within one year	8,821	7,957
Between one year and two years	7,091	6,036
Between two and three years	3,515	3,846
Between three and four years	1,538	2,047
Between four and five years	326	473
Later than five years	151	142
Total lease payments	21,442	20,501



13. Equity-method investments

Summarized carrying amounts and gains/losses on equity-method investments

	Associated companies		Joint ventures		2025	Total 2024
	2025	2024	2025	2024		
In millions of euros						
Equity-method carrying amount ^{1, 2}	9,666	12,322	371	464	10,037	12,786
Equity-method gains/losses ^{1, 2}	1,133	1,653	-15	-515	1,118	1,138

1 Including investor-level adjustments.

2 In 2024 impairments of €526 million were included; thereof associated companies of €176 million and joint ventures of €350 million. The Mercedes-Benz Cars segment accounted for €485 million in 2024; €41 million was included in the reconciliation.

Key figures on associated companies accounted for using the equity method

	Daimler Truck		BBAC		Other		Total 2024
	2025 ¹	2024	2025	2024	2025	2024	
In millions of euros							
Equity interest (in %)	25.3	31.6	49.0	49.0	-	-	-
Stock-market price	7,216	9,099	-	-	-	-	-
Equity-method carrying amount ²	6,437	8,655	2,086	2,443	1,143	1,224	9,666
Equity-method gains/losses ²	353	711	761	1,073	19	-131	1,133

1 The equity interest, the stock-market price and the equity-method carrying amount take into account the reclassification to the "Assets held for sale" item of the Consolidated Statement of Financial Position. Including the reclassified assets as of 31 December the equity interest amounts to 32.3% and the stock-market price is €9,216 million.

2 Including investor-level adjustments.



Associated companies

Daimler Truck Holding AG

The Daimler Truck Group is one of the world's largest commercial vehicle manufacturers. Its product portfolio comprises light-, medium- and heavy-duty trucks, city buses and intercity buses, coaches and bus chassis. In addition financial services aligned to the product portfolio are offered. The investment in Daimler Truck Holding AG (Daimler Truck, parent company of Daimler Truck Group) is reported in the reconciliation of the reportable segments of the Group.

The Mercedes-Benz Group calculates the proportional earnings and the equity-method carrying amount of Daimler Truck on the basis of the best possible estimates. The financial information of Daimler Truck was not available at the time of publication of these Consolidated Financial Statements. The updated 2024 equity-method carrying amount included expenses of €120 million from an impairment on a Daimler Truck investment.

In May 2025, the Annual General Meeting of Daimler Truck resolved a dividend of €1.90. The distribution led to a cash inflow of €345 million and reduced the carrying amount of the investment by €469 million. With the approval of the Supervisory Board, the Board of Management of Daimler Truck resolved a share buyback programme in July 2023.

The repurchase of the company's own shares via the stock exchange began in August 2023 and was completed in August 2025. The share buyback was carried out in two tranches, and the shares were subsequently cancelled. During the share buyback programme, the Mercedes-Benz Group did not sell any of its Daimler Truck shares.

On 10 June 2025 Daimler Truck AG and Toyota Motor Corporation (Toyota) announced they had entered into final agreements for the equal integration of Mitsubishi Fuso Truck and Bus Corporation and Hino Motors Ltd. Plans call for the new listed holding company ARCHION Corporation to commence operations on 1 April 2026. Daimler Truck AG and Toyota each intend to hold a stake of 25% in the company. Significant impacts on the equity method gains/losses at Daimler Truck are not expected until the transaction is completed in 2026.

Further information on the shares in Daimler Truck reported as assets held for sale is provided in [Note 3](#).

Beijing Benz Automotive Co., Ltd.

Beijing Benz Automotive Co., Ltd. (BBAC) produces and distributes Mercedes-Benz cars in China. The investment and the proportionate share in the results of BBAC are allocated to the Mercedes-Benz Cars segment.

In the second quarter of 2025, the shareholders of BBAC resolved the distribution of a dividend of €493 million. A further distribution of €422 million was resolved in the fourth quarter of 2025. The distributions reduced the shareholding's carrying amount and resulted in a cash inflow of €881 million.

Mercedes-Benz AG and BBAC signed a technology license agreement in October 2024. The Group reported a total result of €189 million in 2024. This was included in the line item revenue and a proportionate negative effect in the line item gains/losses on equity-method investments.

In connection with the investment in BBAC, agreements are in place that provide for a proportional contribution of a total of approximately €0.1 billion in additional equity.

**Summarized IFRS financial information on significant associated companies accounted for using the equity method**

	2025 ¹	Daimler Truck 2024 ²	2025 ²	BBAC 2024 ²
In millions of euros				
Information on the Statement of Income				
Revenue	33,733	54,077	16,720	21,747
Profit/loss of continuing operations, after taxes	1,401	3,066	1,500	2,443
Profit/loss of discontinued operations, after taxes	166	-	-	-
Other comprehensive income/loss	-643	-173	19	-39
Total comprehensive income/loss	924	2,893	1,519	2,404
Information on the Statement of Financial Position				
Non-current assets	36,162	40,794	6,007	6,846
Current assets	40,351	38,455	5,547	8,556
Non-current liabilities	30,681	27,533	811	975
Current liabilities	19,801	23,617	5,655	8,501
Equity (including non-controlling interests)	26,031	28,099	5,088	5,926
Reconciliation of equity from 30 September to 31 December (best estimate)				
Equity (including non-controlling interests) as of 30 September	26,031			
Profit/loss after taxes	-51			
Other comprehensive income/loss	145			
Equity (including non-controlling interests) as of 31 December	26,125			
Reconciliation to equity-method carrying amount				
Proportionate equity (excluding non-controlling interests) attributable to the Group	6,359	8,558	2,493	2,904
Unrealized profit (-)/loss (+) on sales to/purchases from	-	-	-384	-467
Other reconciliation effects including equity-method goodwill and impairments on the investment	78	97	-23	6
Carrying amount of equity-method investment	6,437	8,655	2,086	2,443

1 Figures for the Statement of Income relate to the period of 1 January to 30 September.

Figures for the Statement of Financial Position relate to the balance sheet date of 30 September 2025 and include investor level adjustments.

2 Figures for the Statement of Income relate to the period of 1 January to 31 December.

Figures for the Statement of Financial Position and the reconciliation to the equity-method carrying amount relate to the balance sheet date of 31 December and include investor level adjustments.



Joint ventures

Automotive Cells Company SE

Automotive Cells Company SE (ACC) develops and produces high-performance battery cells and modules. ACC is accounted for as a joint venture in the Consolidated Financial Statements of Mercedes-Benz Group AG using the equity method and is assigned to the Mercedes-Benz Cars segment.

The result from equity-method investments includes the pro-rata loss from the investment in ACC of €118 million (2024: pro-rata loss of €546 million). The 2024 pro-rata result included an impairment of €350 million on the investment's carrying amount.

The following table shows summarized aggregated financial information for the other minor equity-method investments after purchase-price allocation and on a pro-rata basis.

Further information on equity-method investments is provided in [Note 36](#).

Summarized aggregated financial information on minor equity-method investments

	Associated companies		Joint ventures	
	2025	2024	2025	2024
In millions of euros				
Summarized aggregated financial information (pro rata)				
Profit/loss after taxes	4	36	-211	-316
Other comprehensive income/loss	-17	38	-85	9
Total comprehensive income/loss	-13	74	-296	-307
Unrecognized losses	-	-	-83	-74



14. Receivables from financial services

Types of receivables

Receivables from sales financing with customers include receivables from credit financing for non-Group third parties who purchased their vehicle either from a dealer or directly from the Mercedes-Benz Group.

Receivables from sales financing with dealers represent loans for floor financing programmes for vehicles purchased from the Mercedes-Benz Group. In addition, these receivables also relate to the financing of other assets that the dealers purchased from third parties, in particular used vehicles or property.

Receivables from finance lease contracts consist of receivables from leasing contracts for which all substantial risks and opportunities incidental to the leasing business are transferred to the lessee.

In 2025, the Mercedes-Benz Group realized a profit from finance lease contracts of €136 million (2024: €110 million).

At 31 December 2025, receivables from financial services with a carrying amount of €8,116 million (2024: €10,536 million) were pledged mostly as collateral for liabilities from ABS transactions. Further information is provided in [Note 24](#).

Receivables from financial services¹

	31 December 2025			31 December 2024		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Sales financing with customers	13,187	25,469	38,656	15,753	29,886	45,639
Sales financing with dealers	15,438	5,123	20,561	17,138	5,874	23,012
Finance lease contracts	5,927	11,406	17,333	6,687	12,745	19,432
Residual-value receivables	212	512	724	175	714	889
Gross carrying amount	34,764	42,510	77,274	39,753	49,219	88,972
Loss allowances	-377	-608	-985	-433	-672	-1,105
Net carrying amount	34,387	41,902	76,289	39,320	48,547	87,867

¹ At balance sheet date, €430 million were attributable to the reclassification of the balance sheet item "Assets held for sale" of the Consolidated Statement of Financial Position.

The following table shows the maturities of the future contractual lease payments and the development of lease payments to the carrying amounts of receivables from finance lease contracts.

	31 December	
	2025	2024
In millions of euros		
Contractual future lease payments	18,663	20,850
thereof due		
within one year	6,675	7,371
between one year and two years	4,457	5,406
between two and three years	3,519	3,975
between three and four years	2,362	2,703
between four and five years	1,257	1,187
later than five years	393	208
Unguaranteed residual values	859	887
Gross investment	19,522	21,737
Unearned finance income	-2,189	-2,305
Gross carrying amount	17,333	19,432
Loss allowances	-266	-323
Net carrying amount	17,067	19,109

As of 31 December 2024, unguaranteed residual values of €4,242 million have been reported. For better comparability, €3,355 million unguaranteed residual values were reclassified into contractual future lease payments to the extent that these relate to exercise prices of purchase options for which the exercise of the option is considered reasonably certain.

Loss allowances

The loss allowances for receivables from financial services due to expected credit losses are shown in the table “Development of loss allowances for receivables from financial services due to expected credit losses”.

The carrying amounts of receivables from financial services based on modified contracts that are shown in stage 2 and 3 amounted to €586 million at 31 December 2025 (2024: €580 million). In addition, carrying amounts of €140 million in connection with contractual modifications were reclassified at 31 December 2025 from stage 2 and 3 into stage 1 (2024: €91 million).

Credit risks

Information on credit risks included in receivables from financial services is shown in the table “Credit risks included in receivables from financial services”.

Longer overdue periods regularly lead to higher loss allowances.

At the beginning of the contracts, collaterals of usually at least 100% of the carrying amounts are agreed; these are backed by the vehicles based on the underlying contracts. Over the term of the contracts, the performance of the collateral is continuously included in the calculation of the risk provision to be recognized, so the net carrying amounts of the credit-impaired contracts are essentially backed by the underlying vehicles.

Further information on loss allowances, financial risks and types of risks is provided in [Note 32](#).

**Development of loss allowances for receivables from financial services due to expected credit losses¹**

	12-month expected credit loss				Lifetime expected credit loss		Total	
	(Stage 1)		Not credit impaired (Stage 2)		Credit impaired (Stage 3)			
	2025	2024	2025	2024	2025	2024	2025	2024
In millions of euros								
Balance at 1 January	297	329	244	240	564	486	1,105	1,055
Additions	107	132	44	54	93	107	244	293
Remeasurement changes	-33	-36	116	90	305	307	388	361
Utilization	-3	-4	-33	-36	-208	-154	-244	-194
Reversals	-134	-140	-77	-88	-222	-205	-433	-433
Transfer to stage 1	77	60	-60	-46	-17	-14	-	-
Transfer to stage 2	-29	-33	47	50	-18	-17	-	-
Transfer to stage 3	-3	-3	-35	-45	38	48	-	-
Exchange-rate effects and other changes	-15	-8	-18	25	-24	6	-57	23
Balance at 31 December	264	297	228	244	511	564	1,003	1,105

Credit risks included in receivables from financial services¹

	12-month expected credit loss				Lifetime expected credit loss		Total	
	(Stage 1)		Not credit impaired (Stage 2)		Credit impaired (Stage 3)			
	2025	2024	2025	2024	2025	2024	2025	2024
In millions of euros								
Gross carrying amount at 31 December	68,300	78,997	8,067	8,569	1,355	1,490	77,722	89,056
thereof								
not past due	67,633	78,377	6,247	6,596	214	260	74,094	85,233
past due 30 days and less	639	612	1,090	1,003	69	79	1,798	1,694
past due 31 to 60 days	28	1	511	696	61	77	600	774
past due 61 to 90 days	-	-	218	273	63	95	281	368
past due 91 to 180 days	-	-	1	1	311	337	312	338
past due more than 180 days	-	7	-	-	637	642	637	649

¹ Including the part of the gross carrying amount and loss allowances that was reclassified to the "Assets held for sale" item of the Consolidated Statement of Financial Position.



15. Marketable debt securities and similar investments

The marketable debt securities and similar investments amount to €7,566 million (2024: €7,730 million). When a short-term liquidity requirement is covered with quoted securities on the reporting date, those securities are presented as current assets. Further information on marketable debt securities and similar investments is provided in [Note 31](#).

16. Other financial assets

The line item Other financial assets presented in the Consolidated Statement of Financial Position is comprised as shown in the following table. Further information on other financial assets is provided in [Note 31](#).

At 31 December 2025, other financial assets included receivables with a carrying amount of €489 million (2024: €519 million) that were pledged as collateral for liabilities.

Other financial assets¹

	31 December			31 December		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Equity instruments and debt instruments	-	1,273	1,273	-	1,293	1,293
recognized at fair value through profit or loss	-	554	554	-	589	589
recognized at fair value through other comprehensive income	-	719	719	-	704	704
Derivative financial instruments used in hedge accounting	932	809	1,741	586	705	1,291
Other financial assets measured at fair value through profit or loss	228	63	291	144	127	271
Other receivables and miscellaneous other financial assets	1,692	808	2,500	2,138	895	3,033
	2,852	2,953	5,805	2,868	3,020	5,888

¹ At balance sheet date, €255 million were attributable to the reclassification of the balance sheet item "Assets held for sale" of the Consolidated Statement of Financial Position.



17. Other assets

Other expected reimbursements predominantly relate to recovery claims against our suppliers in connection with issued product warranties.

Other assets¹

	31 December 2025			31 December 2024		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Reimbursements due to other tax refunds	2,275	268	2,543	2,373	170	2,543
Other expected reimbursements	242	211	453	273	189	462
Asset from defined benefit pension plans	-	3,131	3,131	-	1,553	1,553
Prepaid expenses	404	120	524	457	164	621
Other	724	211	935	478	315	793
	3,645	3,941	7,586	3,581	2,391	5,972

¹ At balance sheet date, minus €114 million were attributable to the reclassification of the balance sheet item "Assets held for sale" of the Consolidated Statement of Financial Position.



18. Inventories

Inventories¹

	31 December	
	2025	2024
In millions of euros		
Raw materials and manufacturing supplies	2,561	2,799
Work in progress	2,617	3,032
Finished goods, spare parts and products held for resale	18,438	20,069
Advance payments	317	334
	23,933	26,234

¹ At balance sheet date, €175 million were attributable to the reclassification of the balance sheet item "Assets held for sale" of the Consolidated Statement of Financial Position.

The amount of write-down of inventories to net realizable value recognized as an expense in cost of sales was €844 million in 2025 (2024: €579 million). The carrying amounts of inventories that are expected to be recovered or settled after more than twelve months amounted to €910 million at 31 December 2025 (2024: €901 million) and are primarily related to finished goods.

To secure obligations from partial retirement and long-term working accounts, a number of company cars and demonstration vehicles included in inventories of Mercedes-Benz AG in the amount of €1,481 million (2024: €1,478 million) was pledged as collateral to Mercedes-Benz Pension Trust e.V. as of 31 December 2025. In addition, as of 31 December 2025, inventories with a carrying amount of €39 million (2024: €78 million) were pledged as collateral for liabilities from ABS transactions.

19. Trade receivables

Trade receivables are primarily receivables from contracts with customers within the scope of IFRS 15 and are shown in the following table.

	31 December	
	2025	2024
In millions of euros		
Gross carrying amount	6,040	7,180
Loss allowances	-189	-207
Net carrying amount	5,851	6,973

At 31 December 2025, €108 million (2024: €25 million) of the trade receivables have a residual term of more than one year.

**Loss allowances****Development of loss allowances for trade receivables due to expected credit losses¹**

	not credit impaired (Stage 2)		Lifetime expected credit loss credit impaired (Stage 3)		Total	
	2025	2024	2025	2024	2025	2024
In millions of euros						
Balance at 1 January	35	37	172	104	207	141
Additions	17	18	93	116	110	134
Remeasurement changes	2	2	13	13	15	15
Utilization	-6	-10	-25	-18	-31	-28
Reversals	-7	-10	-59	-45	-66	-55
Transfer to stage 2	-	-	-	-	-	-
Transfer to stage 3	-3	-1	3	1	-	-
Exchange-rate effects and other effects	-1	-1	-17	1	-18	-
Balance at 31 December	37	35	180	172	217	207

¹ Including the part of the loss allowances that was reclassified to the "Assets held for sale" item of the Consolidated Statement of Financial Position.



Credit risks

Information on credit risks included in trade receivables is shown in the following table. Further information on financial risks and types of risk is provided in [Note 32](#).

Credit risks included in trade receivables¹

	not credit impaired (Stage 2)		Lifetime expected credit loss credit impaired (Stage 3)		Total	
	31 December		31 December		31 December	
	2025	2024	2025	2024	2025	2024
In millions of euros						
Gross carrying amount	5,730	6,872	380	317	6,110	7,189
thereof						
not past due	4,376	5,528	86	8	4,462	5,536
past due 30 days and less	770	706	7	10	777	716
past due 31 to 60 days	164	205	7	3	171	208
past due 61 to 90 days	155	116	1	16	156	132
past due 91 to 180 days	90	136	16	43	106	179
past due more than 180 days	175	181	263	237	438	418

¹ Including the part of the book value that was reclassified to the "Assets held for sale" item of the Consolidated Statement of Financial Position.



20. Equity

Share capital

The share capital (authorized capital) is €3,070 million at 31 December 2025, unchanged compared to 31 December 2024. It is divided into 963 million (2024: 963 million) no-par-value shares. The number of shares in circulation decreased by 6 million, from 963 million at 1 January 2025 to 957 million as of 31 December 2025, due to share buybacks. All shares are fully paid up. Each no-par-value share confers the right to one vote at the General Meeting of Mercedes-Benz Group AG and, if applicable, with the exception of any new shares or treasury shares potentially not entitled to dividends, to an equal portion of the profits as defined by the dividend distribution decided upon at the General Meeting.

Approved capital

The General Meeting held on 3 May 2023 authorized the Board of Management to increase the share capital of Mercedes-Benz Group AG by up to a total of €1.0 billion by 2 May 2028 with the approval of the Supervisory Board against cash and/or non-cash contributions (Approved Capital 2023). The authorization enables the exclusion of shareholders' subscription rights under certain conditions and within defined limits subject to the consent of the Supervisory Board.

No use has been made of the Approved Capital 2023 to date.

Conditional capital

The authorization to issue convertible and/or bonds with warrants granted by the Annual General Meeting on 8 July 2020 was valid until 7 July 2025. This authorization was not used until the Annual General Meeting on 7 May 2025.

By resolution of the General Meeting on 7 May 2025, the Board of Management was again authorized to issue convertible bonds and/or bonds with warrants or a combination of these instruments (bonds) with a total nominal amount of up to €10.0 billion and a term of no more than ten years until 6 May 2030, and to grant the holders or creditors of these bonds conversion or option rights to registered new, named no-par-value shares of Mercedes-Benz Group AG with a pro rata amount of the share capital of up to a total of €500 million in accordance with the more detailed terms and conditions of the convertible bonds or bonds with warrants. The bonds can be issued against cash or non-cash contributions, particularly against investments in other companies. Among other things, the Board of Management has been authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights to the bonds under certain conditions and within defined limits.

To service the convertible and/or bonds with warrants issued under the new authorization, the share capital was increased by up to €500 million (Conditional Capital 2025).

With the coming into effect of the Conditional Capital 2025 by its entry in the commercial register, the authorization of the Board of Management to issue convertible and/or bonds with warrants dated 8 July 2020 and the corresponding Conditional Capital 2020 were revoked.

The authorization of 7 May 2025 to issue convertible and/or bonds with warrants has not yet been utilized.

Treasury shares

The authorization to purchase and use treasury shares, which was resolved by the Annual General Meeting on 8 July 2020, valid until 7 July 2025 and almost exhausted within the framework of two buyback programmes, was revoked by the Annual General Meeting on 7 May 2025 to the extent that it had not yet been used.

By resolution of the Annual General Meeting of 7 May 2025, the company was again authorized, until 6 May 2030, to acquire treasury shares for any permissible purpose, up to a maximum of 10% of the share capital existing at the time of the resolution by the Annual General Meeting or – if this value is lower – at the time the authorization is exercised, and to use them for all



legally permissible purposes. In particular, the treasury shares may be cancelled or, with the approval of the Supervisory Board and subject to the exclusion of shareholders' subscription rights, used in the context of mergers and acquisitions, or sold to third parties for cash at a price that is not significantly lower than the stock market price at the time of sale. The acquired shares may also be used to service issued convertible and/or bonds with warrants, for issuance to employees of the company and employees and bodies of companies affiliated with it within the meaning of Sections 15 et seq. of the German Stock Corporation Act (AktG).

Share buyback programmes

Based on the authorization for the acquisition of treasury shares by the Annual General Meeting on 8 July 2020, a total of 107 million treasury shares were repurchased in the period from March 2023 to November 2024 as part of two share buyback programmes at a purchase price of €6,992 million (including transaction costs) and an average price of €63.62 per share. This corresponds to a pro rata amount of €307 million of the share capital, or almost 10%.

All treasury shares were cancelled on 13 December 2024, without a capital reduction. This increased the pro rata amount of one share in the share capital from approximately €2.87 to approximately €3.19.

On 21 February 2024, Mercedes-Benz Group AG resolved to implement a share buyback policy. Based on such policy, the future free cash flow of the industrial business (as available post potential small-scale M&A transactions) generated beyond the approximately 40% dividend payout ratio of Mercedes-Benz Group previous year's net profit shall be used to fund share buybacks with the purpose of redeeming shares.

In this context, the Board of Management, with the approval of the Supervisory Board, decided on a further share buyback programme ("Share Buyback 2025-2026"). The acquisition of Mercedes-Benz shares is based on the authorization granted by the Annual General Meeting on 7 May 2025. The programme commenced on 3 November 2025 and is scheduled to be completed by 3 November 2026.

Up to 96 million shares may be repurchased for a total purchase price (excluding incidental costs) of up to €2 billion. The repurchased shares are to be cancelled.

Mercedes-Benz Group AG has separately agreed with Beijing Automotive Group Co., Ltd. and Geely Group that they will each keep their shareholdings in Mercedes-Benz Group AG below ten per cent of all voting shares by divesting their shares on a pro-rata basis concurrently with the share buyback programme.

From 3 November 2025 to 31 December 2025, as part of the share buyback programme, a total of 6 million of the company's own shares were repurchased at a

purchase price of €325 million (including transaction costs). This corresponds to a pro rata amount of €18 million or almost 0.58% of the share capital.

Employee share purchase plan

In the first quarter of 2025, as in the previous year, Mercedes-Benz Group AG purchased 0.9 million shares of Mercedes-Benz Group AG for the employee share purchase plan pursuant to Section 71 Subsection 1 No. 2, of the German Stock Corporation Act (AktG). The purchase was carried out without utilizing the authorization to acquire treasury shares granted by the General Meeting on 8 July 2020. The shares, which were reissued to Group employees for a total selling price of €41 million, were purchased for a price of €56 million and represented €3 million or 0.1% of the share capital (2024: 1 million shares of Mercedes-Benz Group AG representing €2.8 million or 0.09% of the share capital were purchased for a price of €73 million for a total selling price of €58 million).

Capital reserves

Capital reserves primarily comprise premiums arising on the issue of shares as well as expenses relating to the exercise of stock option plans that could be exercised up to 2014 and the issue of employee shares, effects from changes in ownership interests in consolidated entities and directly attributable related transaction costs.



Retained earnings

Retained earnings comprise the accumulated net profits and losses of all companies included in the Mercedes-Benz Group's Consolidated Financial Statements, less any profits distributed. In addition, the remeasuring of defined benefit plans and the corresponding effects arising from equity-method investments and the respective related deferred taxes are presented within retained earnings. Further effects result from the cancellation of own shares.

In the 2025 financial year, other comprehensive income/loss on equity-method investments that will not be reclassified to profit/loss in the Statement of Income, resulted in gains of €157 million (2024: gains of €23 million). In 2025, these mainly resulted from actuarial gains from pensions (2024: mainly gains from equity instruments).

In addition, the planned reduction of the corporate tax rate in Germany starting in the year 2028 results in a decrease in deferred taxes in the reserves for actuarial gains from pensions and similar obligations in the amount of €294 million.

Dividend

Under the German Stock Corporation Act (AktG), the dividend is paid out of the distributable profit reported in the Annual Financial Statements of Mercedes-Benz Group AG (parent company only) in accordance with the German Commercial Code (HGB). The management will propose to the shareholders at the General Meeting that of the distributable profit of Mercedes-Benz Group AG for the 2025 financial year a dividend of €3.50 per no-par-value share entitled to a dividend be paid to the shareholders.

Taking into account repurchased treasury shares as of 31 December 2025 and subject to further share buy-backs up to the General Meeting in 2026, this corresponds to a total distribution of €3,351 million (2024: €4,140 million). As the number of treasury shares held directly or indirectly by the company will change before the General Meeting due to the ongoing programme "Share Buyback 2025-2026", a proposal for a correspondingly adjusted resolution will be submitted to the Annual General Meeting. With an unchanged dividend of € 3.50 per no-par-value share entitled to a dividend, the portion of the distributable profit to be transferred into retained earnings and the total distribution amount will be adjusted accordingly.

For the 2024 financial year, the General Meeting resolved that €4,140 million (€4.30 per no-par-value share entitled to a dividend) be distributed to the shareholders from the distributable profit. A further €146 million was transferred to retained earnings.

Other reserves

Other reserves comprise accumulated unrealized gains/losses from currency translation of the financial statements of the consolidated foreign companies and accumulated unrealized gains/losses on financial assets, derivative financial instruments and equity-method investments.

The changes in other reserves are included in other comprehensive income/loss and are presented in the Consolidated Statement of Comprehensive Income.

In the 2025 financial year, other comprehensive income/loss on equity-method investments that may be reclassified to profit/loss in the Statement of Income in the future resulted in a loss of €501 million (2024: zero). In 2025, the effects resulted mainly from losses from currency translation of €550 million, with offsetting gains of €50 million from derivative financial instruments (2024: mainly gains from currency translation of €49 million, with offsetting losses of €50 million from derivative financial instruments).

21. Share-based payment

At 31 December 2025, the Group had the 2022–2025 Performance Phantom Share Plans (PPSP) in favour of the members of the Board of Management and executives entitled to participate. These plans had not yet been paid out. As instruments of share-based payment with cash settlement, the PPSP are measured at their fair values on the balance sheet date. They are paid out at the end of their contractually defined periods; an earlier, proportionate payout is only possible under certain conditions when a beneficiary leaves the company. PPSP 2021 was paid out as planned in the first quarter of 2025.

The pre-tax effects of share-based payment arrangements for the members of the Board of Management of Mercedes-Benz Group AG and the executives of the Group on the Consolidated Statement of Income and Consolidated Statement of Financial Position are shown in the following table.

The details shown in the table do not represent any paid or committed remuneration, but refer to expenses calculated according to IFRS.

	Expense		Provision	
	2025	2024	2025	2024
31 December				
In millions of euros				
PPSP	157	107	261	325
thereof PPSP of the members of the Board of Management	18	12	25	28

In the context of PPSP, eligible board members and employees of the Mercedes-Benz Group are granted phantom shares. Provided that predefined performance targets are met within the three-year performance period, these phantom shares entitle them to receive a cash payment after a further year following the performance period (holding period). During the four-year period between the allocation of the preliminary phantom shares and the payout of the plan after the end of the term, the phantom shares earn a dividend equivalent to the amount of the actual dividend paid on real Mercedes-Benz Group shares in the respective year.

The amount of cash paid after the end of the holding period is based on the final number of vested phantom shares (determined after three years according to the degree of target achievement of specific performance indicators) multiplied by the quoted price of the Mercedes-Benz Group's ordinary shares (calculated as an average price over a specified period after the end of the four-year plan period). The vesting period is therefore four years. For the existing PPSP 2022 to PPSP 2025, the quoted price of the phantom shares to be used for the payout is limited to 2.5 times the phantom share price at the date of grant. Furthermore, in the case of the plan PPSP 2022, the payout for the members of the Board of Management is also limited to 2.5 times the allotment value used to determine the preliminary number of phantom shares. The limitation of the payout for the members of the Board of Management also includes the dividend equivalents.

For the PPSP 2022 to PPSP 2025, the degree of target achievement is determined on the basis of the relative share performance, which measures the performance development of the Mercedes-Benz Group share compared with the development of a performance index based on a group of competitors including the Mercedes-Benz Group, and the return on sales (RoS) of the Mercedes-Benz Group compared with the average revenue-weighted RoS of a group of competitors. Beginning with PPSP 2023, environmental, social and governance ("ESG") targets are also included in the



target achievement in order to incentivize the sustainable realignment and long-term, sustainable development of the Group. The achievement of the financial targets (relative share performance and RoS) accounts for 80% and the achievement of the ESG targets for 20% of the overall target achievement of the PPSP.

Specific rules apply to the members of the Board of Management within the framework of the PPSP 2022. With identical average RoS among competitors, the Mercedes-Benz Group requires a higher RoS to ensure target achievement at the same level as the other plan participants.

The Group recognizes a provision for awarding the PPSP in the provisions for other risks in the Consolidated Statement of Financial Position. Since payment per vested phantom share depends on the quoted price of the Mercedes-Benz Group's share, that quoted price essentially represents the fair value of each phantom share at the balance sheet date. The proportionate remuneration expenses from the PPSP recognized in the individual years are measured based on the price of the Mercedes-Benz Group share and the estimated target achievement.

22. Pensions and similar obligations

Commitments specific to various countries for defined benefit pension plans and defined contribution pension plans exist at the Mercedes-Benz Group.

Furthermore, certain foreign subsidiaries, mainly in the United States, provide their employees with post-employment healthcare benefits with defined entitlements, which have to be accounted for as defined benefit plans.

Composition of provisions for pensions and similar obligations

	31 December	
	2025	2024
In millions of euros		
Provisions for pension benefits	510	615
Provisions for post-employment healthcare benefits	297	337
	807	952

Defined benefit pension plans

Provisions for pension obligations are made for defined benefit pension commitments to active and former employees of the Mercedes-Benz Group and their survivors. The defined benefit pension plans provided by the Group generally vary according to the economic, tax and legal circumstances of the country concerned. Most of the defined benefit pension commitments also provide benefits in the case of invalidity and death.

Pension plans and pension plan assets

Most employees in Germany have defined benefit pension commitments; most of the pension commitments for the active workforce are based on individual retirement benefit accounts, to which the company makes annual contributions. The amount of the contributions for non-exempt employees depends on the tariff classification in the respective year or on their respective income; for executives it depends on their respective income. For the commitments to retirement benefits made prior to 2011, the contributions continue to be converted into capital components and credited to the individual pension accounts with the application of fixed factors related to each employee's age. The conversion factors include a fixed value increase. For the commitments to retirement benefits made as of 2011, the company guarantees at a minimum the value of the contributions paid into a cash-balance plan.



Pension payments are made either as a life annuity, twelve annual instalments, or a single lump sum.

In addition, already closed defined benefit plans exist that primarily depend on employees' wage-tariff classification upon transition into the benefit phase and which foresee a life annuity.

As well as the employer-financed pension plans granted by German companies, the employees of some companies are also offered various deferred compensation models.

Most of the pension obligations in Germany relating to defined benefit pension commitments are funded by investment funds.

Contractual trust arrangements (CTA) exist between Mercedes-Benz Group AG as well as some subsidiaries in Germany and the Mercedes-Benz Pension Trust e.V. The Mercedes-Benz Pension Trust e.V. acts as a collateral trust fund.

In 2018, Mercedes-Benz Group AG transferred certain pension obligations and plan assets of retired employees and their survivors to Mercedes-Benz Pensionsfonds AG (pension fund). These benefits are administrated by that non-insurance-like pension fund, which falls under the scope of the Act on the Supervision of Insurance Undertakings and is therefore subject to the oversight of the Federal Financial Supervisory Agency (BaFin).

Insofar as in the future BaFin rules that a deficit has occurred in the pension fund, a supplementary contribution will be required from Mercedes-Benz Group AG.

In Germany, there are normally no statutory or regulatory minimum funding requirements.

Outside Germany, there are plans relating to final salaries as well as plans relating to salary-based components. Most of the international obligations from defined benefit pension commitments are funded by investment funds.

Development of funded status

	31 December 2025			31 December 2024		
	Total	Germany	International	Total	Germany	International
In millions of euros						
Present value of the defined benefit obligations	20,188	18,960	1,228	21,599	20,293	1,306
Fair value of plan assets	22,828	21,614	1,214	22,550	21,316	1,234
Funded status	2,640	2,654	-14	951	1,023	-72
Effects of asset ceiling	-19	-	-19	-13	-	-13
Amounts in the balance sheet	2,621	2,654	-33	938	1,023	-85
thereof other assets	3,131	3,007	124	1,553	1,426	127
thereof provisions for pensions and similar obligations	-510	-353	-157	-615	-403	-212



Risks from defined benefit pension plans and pension plan assets

The general requirements with regard to retirement benefit models are included in policies with group-wide validity. Accordingly, the committed benefits are intended to contribute to additional financial security during retirement and in the case of death or invalidity. They should be capable of being planned and fulfilled by the respective company of the Group, and have a low-risk structure. In addition, the Global Pension and Healthcare Committee exists that approves new pension plans and amendments to existing pension plans as well as policies relating to company retirement benefits.

The obligations from defined benefit pension commitments and the pension plan assets can be subject to fluctuations over time. This can have a negative or a positive effect on the funded status. Fluctuations in the defined benefit pension obligations result at the Mercedes-Benz Group in particular from changes in financial assumptions such as discount rates and the cost of living, but also from changes in demographic assumptions such as adjusted life expectancies. With most of the German plans, expected long-term wage and salary increases do not have an impact on the amount of the obligation.

The fair value of the plan assets is predominantly determined by the situation on the capital markets. Unfavourable developments, especially of equity prices and fixed-interest securities, could reduce that fair value. The diversification of investment funds, the engagement of asset managers using quantitative and qualitative analyses, and the continual monitoring of performance and risk help to reduce the associated investment risk. As long as the commitments of the defined benefit pension plans remain overfunded by the plan assets, the Mercedes-Benz Group will only make additional pension contributions when legally and economically necessary.

As a general principle, it is the Group's objective to design new pension commitments as defined benefit plans based on capital components or on contributions, or as defined contribution plans.

**Reconciliation of the defined benefit obligations,
the fair value of the plan assets and the amounts
in the balance sheet****Present value of the defined benefit obligations and fair value of the plan assets**

	2025	2024
In millions of euros		
Present value of the defined benefit obligations at 1 January	21,599	21,992
Current service cost	352	374
Interest cost	738	681
Contributions by plan participants	28	37
Actuarial gains (-)/losses from changes in demographic assumptions	5	-50
Actuarial gains (-)/losses from changes in financial assumptions	-1,411	-540
Actuarial gains (-)/losses from experience adjustments	21	-58
Actuarial gains (-)/losses	-1,385	-648
Past service cost, curtailments and settlements	3	-1
Pension benefits paid	-1,059	-995
Currency exchange-rate changes and other changes	-88	159
Present value of the defined benefit obligations at 31 December	20,188	21,599
Fair value of plan assets at 1 January	22,550	21,890
Interest income	779	684
Deviation between actual return on plan assets and interest income	408	595
Actual profit/loss on plan assets	1,187	1,279
Contributions by the employer	155	145
Contributions by plan participants	28	37
Pension benefits paid	-1,021	-957
Currency exchange-rate changes and other changes	-71	156
Fair value of plan assets at 31 December	22,828	22,550

**Overview of the amounts in the balance sheet**

	2025	2024
In millions of euros		
Amounts in the balance sheet at 1 January	938	-117
Pension costs	-314	-370
Actuarial gains/losses (-)	1,793	1,243
Contributions to plan assets	155	145
Pension payments not covered by plan assets	38	38
Change of effects of asset ceiling	-6	2
Currency exchange-rate changes and other changes	17	-3
Amounts in the balance sheet at 31 December	2,621	938

Actuarial gains/losses consist of the actuarial gains/losses in the present value of the defined benefit obligations, the deviation between actual return on plan assets and interest income and the change in the effects of asset ceiling.

Composition of plan assets

Plan assets are used solely to fulfil pension obligations and to cover the administration costs of the plan assets.

Market prices are usually available for equity instruments and bonds due to their listing in active markets. Most of the bonds have investment grade ratings. They include government bonds of very good credit-worthiness.

The investment strategy is reviewed regularly and adjusted if deemed necessary. The investment strategy is determined by investment committees, which are generally composed of representatives of the Finance and HR departments. The investment strategy for the pension plan assets is generally oriented towards the structure of the pension obligations.

Composition of plan assets

	31 December	
	2025	2024
In millions of euros		
Equity instruments ¹	8,316	7,849
Government bonds	4,328	3,594
Corporate bonds	7,613	8,804
Securitized bonds	144	143
Bonds	12,085	12,541
Other exchange-traded instruments	186	128
Exchange-traded instruments	20,587	20,518
Alternative investments and other non-exchange-traded instruments	304	369
Real estate	687	655
Cash and cash equivalents	1,250	1,008
Non-exchange-traded instruments	2,241	2,032
Fair value of plan assets	22,828	22,550

¹ Including the shares in Daimler Truck in the amount of €1,534 million (2024: €1,515 million). In 2024, including the shares in Nissan Motor Co., Ltd. in the amount of €453 million.

Pension costs

The components of pension costs included in the Consolidated Statement of Income are shown in the following table.

Pension costs	2025	2024
In millions of euros		
Current service cost	-352	-374
Past service cost, curtailments and settlements	-3	1
Net interest expense	-17	-22
Net interest income	58	25
	-314	-370

Measurement assumptions

The measurement date for the defined benefit pension obligations and plan assets is generally 31 December. The measurement date for the periodic pension cost is generally 1 January. The assumptions used to calculate the defined benefit obligations vary according to the economic conditions of the country in which the pension plans are situated.

Calculation of the pension obligations uses life expectancy for the German plans based on the Heubeck 2018 G mortality tables. Comparable country-specific calculation methods are used for international plans.

The following significant weighted average measurement factors are used to calculate pension benefit obligations.

	31 December		31 December	
	2025	2024	2025	2024
	Germany	Germany	International	International
In %				
Discount rates	4.1	3.4	5.2	5.4
Expected increases in the cost of living ¹	2.0	2.0	-	-

¹ For German plans – depending on the design of the specific plan – expected increases in the cost of living may affect the obligation to the Group's active employees as well as to retirees and their survivors. For most international plans, expected increases in the cost of living do not have a material impact on the amount of the obligation.

Sensitivity analysis

The calculations carried out by actuaries were done in isolation for the evaluation parameters regarded as important. This means that if there is a simultaneous change in several parameters, the individual results cannot be summed due to correlation effects. With a change in the parameters, the sensitivities shown cannot be used to derive a linear development of the defined benefit obligation.



An increase or decrease in the main actuarial assumptions would have the following effects on the present value of the defined benefit pension obligations.

Sensitivity analysis for the present value of defined benefit obligations

	31 December		
	2025	2024	
In millions of euros			
Sensitivity to			
discount rates	+0.50%	-931	-1,108
discount rates	-0.50%	1,026	1,149
expected increases in the cost of living	+0.25%	116	129
expected increases in the cost of living	-0.25%	-112	-125
life expectancy	+1 year	320	354
life expectancy	-1 year	-287	-318

Calculation of the sensitivity to life expectancy by means of fixed (non-age-dependent) factors for a reference person results in a life expectancy one year higher or one year lower.

Effect on future cash flows

For the year 2026, the Group plans to make contributions of €0.2 billion to the plan assets; the final amount is usually set in the fourth quarter of a year. The pension benefits paid are expected to amount to €1.1 billion in 2026.

The weighted average duration of the defined benefit obligations amounts to 11 years (2024: 12 years).

Defined contribution pension plans

Under defined contribution pension plans, the Mercedes-Benz Group makes defined contributions to external insurance policies or investment funds. There are fundamentally no further contractual obligations or risks arising from these pension obligations for the Mercedes-Benz Group in excess of the defined contributions. The Group also pays contributions to statutory pension plans. In 2025, the total costs from defined contribution plans amounted to €1.1 billion (2024: €1.1 billion). Of those payments, €1.0 billion (2024: €1.1 billion) was related to statutory pension plans.

23. Provisions for other risks

Product warranties

The Mercedes-Benz Group issues various types of product warranties, under which it generally guarantees the performance of products delivered and services rendered for a certain period. The provision for these product warranties covers expected costs for legal and contractual warranty claims as well as expected costs for goodwill concessions and recall campaigns. The utilization date of product warranties depends on the incidence of the warranty claims and can span the entire term of the product warranties and the goodwill period. The cash outflows in relation to non-current provisions are primarily expected within a period until 2027.

Personnel and social costs

Provisions for personnel and social costs primarily comprise expected expenses of the Group for employee anniversary bonuses, profit-sharing bonuses for non-exempt employees and variable remuneration for the management as well as early-retirement and partial-retirement plans. The additions recorded to the provisions for profit-sharing bonuses and variable remuneration in the reporting year usually result in cash outflows in the following year.



The cash outflows for non-current provisions for personnel and social costs are primarily expected within a period until 2034.

Liability and litigation risks and regulatory proceedings

Provisions for liability and litigation risks and regulatory proceedings comprise costs for various legal proceedings, claims and governmental investigations, which can lead in particular to payments of compensation,

punitive damages or other costly actions. They primarily include risks in connection with governmental and court proceedings and measures taken relating to Mercedes-Benz diesel vehicles. The cash outflows in relation to non-current provisions are primarily expected within a period until 2027.

Further information on liability and litigation risks and regulatory proceedings is provided in [Note 29](#).

Other

Provisions for other risks primarily comprise expected costs for environmental protection risks, other taxes and charges related to income taxes as well as obligations from outstanding commission. They also include provisions for anticipated losses on pending transactions and various other risks which cannot be allocated to any other class of provision.

Provisions for other risks

	Product warranties	Personnel and social costs	Litigation risks and regulatory proceedings	Others	Total
In millions of euros					
Balance at 31 December 2024	6,934	4,198	1,683	2,205	15,020
thereof current	3,239	2,152	554	1,743	7,688
thereof non-current	3,695	2,046	1,129	462	7,332
Additions	3,555	1,761	767	2,471	8,554
Utilizations	-3,085	-2,068	-149	-1,476	-6,778
Reversals	-378	-110	-414	-428	-1,330
Compounding and effects from changes in discount rates	162	35	31	11	239
Exchange-rate effects and other changes	-97	-54	-27	-69	-247
Balance at 31 December 2025	7,091	3,762	1,891	2,714	15,458
thereof current	3,182	1,749	925	1,990	7,846
thereof non-current	3,909	2,013	966	724	7,612



24. Financing liabilities

In the year 2025, bonds totalling €6,414 million (2024: €17,504 million) were issued. Due to redemptions, the bonds were reduced by €11,253 million (2024: €12,415 million).

Furthermore, liabilities to financial institutions decreased by €1,888 million to €24,427 million in 2025.

In addition, asset-backed securities (ABS) transactions with a total financing volume of €10,177 million (2024: €13,957 million) were carried out in 2025. In the reporting period, €10,670 million (2024: €11,933 million) was repaid.

Further information on the maturities of lease liabilities as of 31 December 2025 is provided in [Note 32](#).

Financing liabilities¹

	31 December			31 December		
	Current	Non-current	2025	Current	Non-current	2024
In millions of euros						
Bonds	14,887	39,975	54,862	12,565	50,321	62,886
Commercial paper	43	58	101	911	41	952
Liabilities to financial institutions	13,532	10,895	24,427	15,903	10,412	26,315
Deposits from the direct banking business	1,562	-	1,562	1,557	-	1,557
Liabilities from ABS transactions	6,773	9,404	16,177	7,305	10,894	18,199
Lease liabilities	415	1,574	1,989	485	1,748	2,233
Loans, other financing liabilities	384	504	888	585	71	656
	37,596	62,410	100,006	39,311	73,487	112,798

¹ At balance sheet date, €500 million were attributable to the reclassification of the balance sheet item "Liabilities held for sale" of the Consolidated Statement of Financial Position.



25. Other financial liabilities

The increase in liabilities for wages and salaries is primarily attributable to liabilities related to the workforce adjustment programme in Germany. This was offset by a decrease in the negative market values of derivative financial instruments.

Further information on other financial liabilities is provided in [Note 31](#).

Other financial liabilities

	31 December			31 December		
	Current	Non-current	Total	Current	Non-current	Total
			2025			2024
In millions of euros						
Derivative financial instruments used in hedge accounting	88	283	371	508	610	1,118
Financial liabilities measured at fair value through profit or loss	55	21	76	63	51	114
Liabilities from residual value guarantees resulting from repurchase agreements	581	182	763	602	181	783
Liabilities from wages and salaries	1,513	143	1,656	735	4	739
Deposits received	246	414	660	199	478	677
Credit from customers	175	-	175	166	-	166
Other	1,619	235	1,854	1,798	166	1,964
	4,277	1,278	5,555	4,071	1,490	5,561



26. Contract and refund liabilities

Contract and refund liabilities¹

	31 December	
	2025	2024
In millions of euros		
Service and maintenance contracts and extended warranties	4,118	4,275
Other contract liabilities	2,071	1,926
Contract liabilities	6,189	6,201
Obligations from sales transactions	4,379	4,655
Other refund liabilities	329	390
Refund liabilities	4,708	5,045
Contract and refund liabilities	10,897	11,246
thereof non-current	2,942	3,100
thereof current	7,955	8,146

¹ At balance sheet date, €170 million were attributable to the reclassification of the balance sheet item "Liabilities held for sale" of the Consolidated Statement of Financial Position.



27. Other liabilities

Other liabilities

	31 December			31 December		
	Current	Non-current	Total	Current	Non-current	Total
In millions of euros						
Other tax liabilities	1,377	4	1,381	1,562	8	1,570
Deferral of advance rental payments received from operating lease arrangements	1,373	1,041	2,414	1,250	1,126	2,376
Deferred income resulting from repurchase agreements that are accounted for as operating leases	186	25	211	169	126	295
Other deferred income	152	107	259	235	69	304
Miscellaneous other liabilities	355	11	366	331	25	356
	3,443	1,188	4,631	3,547	1,354	4,901



28. Consolidated Statement of Cash Flows

Calculation of funds

At 31 December 2025, cash and cash equivalents contained no restricted funds. The restricted funds representing cash and cash equivalents of the prior year of €62 million were related to subsidiaries where foreign exchange controls apply, so that the Group had restricted access to the funds.

Cash flow from operating activities

Changes in other operating assets and liabilities	2025	2024
In millions of euros		
Provisions	911	-10
Financial instruments	8	103
Miscellaneous other assets and liabilities	1,666	893
	2,585	986

The increase in provisions compared to the prior year resulted primarily from the consideration of risks in connection with governmental and court proceedings and measures taken relating to Mercedes-Benz diesel vehicles as well as environmental protection risks. Provisions for contractual warranty claims and goodwill concessions had a counteracting effect.

The increase in miscellaneous other assets and liabilities resulted mainly from financial liabilities related to the workforce adjustment programme for employees in indirect areas in Germany and the optimization programmes abroad, which were offset by smaller negative effects on liabilities from accrued interest.

In the prior year the decrease in miscellaneous other assets and liabilities was primarily related to other non-financial liabilities and other financial assets. This was opposed by other financial liabilities with a smaller positive effect.

The following items requiring disclosure are included in the Consolidated Statement of Cash Flows in the lines **profit before income taxes** and **other operating assets and liabilities**.

Cash flows included in cash flow from operating activities	2025	2024
In millions of euros		
Interest paid (including refinancing financial services business)	-4,003	-3,902
Interest received (including financial services business)	5,558	6,142
Dividends received from other shareholdings (without equity-method investments)	129	130

In the financial year and the prior year, the **other non-cash expenses and income** shown in the reconciliation of profit before income taxes to cash flow from operating activities were particularly affected by the equity-method investments with the Group's share of the result.

The prior year was additionally affected by the impairments on the carrying amount and the market valuation of debt instruments.

Cash flow from financing activities

Cash flow from financing activities includes cash flows from hedging the currency risks of financing liabilities. Cash flow from financing activities included payments for the reduction of outstanding leasing liabilities of €460 million (2024: €567 million).



The liabilities arising from financing activities, divided into cash and non-cash components, changed as follows.

Changes in liabilities arising from financing activities		
	2025	2024
In millions of euros		
Financing cash flow	-5,930	-188
Interest paid (including refinancing financial services business)	-4,003	-3,902
Change of control in subsidiaries	-18	-156
Changes in foreign exchange rates	-6,666	2,493
Fair value changes	-296	22
Interest expense (including refinancing financial services business)	4,005	4,195
Other changes	90	849

The decrease in other changes compared to the prior year resulted primarily from the reclassification of liabilities from financing activities of the Athlon Group into liabilities held for sale. In addition, there were lower negative effects from lease liabilities and interest valuations.

29. Legal proceedings

Mercedes-Benz Group AG and its subsidiaries are confronted with various legal proceedings and claims as well as governmental investigations and orders (legal proceedings) covering a wide range of topics. Such topics include, amongst others, vehicle safety, emissions, fuel economy, financial services, dealer, supplier and other contractual relationships, intellectual property rights (including but not limited to patent infringement actions), warranty claims, environmental matters, antitrust matters (including actions for damages) as well as investor litigation. Product-related litigation involves, among other things, claims alleging faults in vehicles. Some of these claims are asserted by way of class actions. If the outcome of such legal proceedings is detrimental to the Mercedes-Benz Group or such legal proceedings are settled, the Group may encounter substantial financial burdens, e.g. from damages payments, monetary penalties, service actions, recall campaigns or other costly actions, which would adversely affect the earnings of Mercedes-Benz Group. Legal proceedings and related settlements may also have an impact on the company's reputation and/or may lead to the exclusion from tenders.

The legal proceedings described below currently constitute the legal proceedings deemed material for the Mercedes-Benz Group, therefore they do not constitute a complete description of all legal proceedings.

Investors from Germany and abroad have filed lawsuits for damages with the Stuttgart Regional Court alleging the violation of disclosure requirements under capital markets law (main proceedings) and have also raised out-of-court claims for damages. The investors allege that Mercedes-Benz Group AG did not immediately disclose inside information in connection with the emission behaviour of its diesel vehicles and that it had made false and misleading public statements. They further claim that the purchase price of the financial instruments acquired by them (in particular Mercedes-Benz Group shares, formerly Daimler AG shares) would have been lower if Mercedes-Benz Group AG had complied with its disclosure obligations. Mercedes-Benz Group AG regards these allegations and claims as being without merit and defends itself against them. Since 2021, model case proceedings under the German Act on Model Case Proceedings in Disputes under Capital Markets Law (KapMuG) (model case proceedings) have been pending before the Stuttgart Higher Regional Court in this context. The purpose of the model case proceedings is to reach a decision that is binding for the main proceedings regarding common factual and legal questions. The main proceedings before the Stuttgart Regional Court will be suspended until a decision is reached on the questions submitted, insofar as they cannot be dismissed independently of



the questions to be decided in the model case proceedings. The decision in the model case proceedings is binding for the suspended main proceedings. Multiple investors have used the possibility to register claims in a considerable amount with the model case proceedings in order to suspend the period of limitation. Mercedes-Benz Group AG is of the view that it has duly fulfilled its disclosure obligations under capital markets law and defends itself against the investors' allegations also in these model case proceedings.

In addition, in Germany, a large number of customers of Mercedes-Benz diesel vehicles have filed lawsuits for damages or rescission of sales contracts. They assert that the vehicles contained illegal defeat devices and/or showed impermissibly high emission values. In particular, they refer to recall orders of the German Federal Motor Transport Authority (KBA), which the KBA based on its view that the Mercedes-Benz Group had used impermissible defeat devices. Although the number of pending cases is declining, a future increase cannot be ruled out. Following a decision of the European Court of Justice in the first quarter of 2023, the German Federal Court of Justice ruled in the second quarter of 2023 that vehicle purchasers are entitled to claim damages against the manufacturer if it intentionally or negligently used an inadmissible defeat device. With similar allegations as in the aforementioned lawsuits by individual customers, the Federation of German Consumer Organizations (Verbraucherzentrale Bundesverband e.V.) filed a model declaratory action (Musterfeststellungsklage) against Mercedes-Benz Group AG with the Stuttgart

Higher Regional Court in 2021. Such an action seeks a ruling that certain preconditions of alleged consumer claims are met. In March 2024, the Stuttgart Higher Regional Court largely granted the model declaratory action. Mercedes-Benz Group AG and, in respect of the dismissed claims, also the plaintiff have appealed against the decision to the Federal Court of Justice.

In the United Kingdom (in England, Wales and in Scotland), consumer class actions have also been filed against the Mercedes-Benz Group with similar allegations as in the forementioned lawsuits by customers in Germany. Here, the plaintiffs also claim that the Mercedes-Benz Group had deceived consumers in connection with advertising statements for Mercedes-Benz diesel vehicles. The proceedings in England and Wales consist of several individual lawsuits that have been consolidated into one class action. The plaintiffs in this class action also allege, amongst others, anti-competitive behaviour relating to technology for the treatment of diesel exhaust emissions. Since 2019, consumer class actions raising similar allegations as in the United Kingdom had been filed in Israel, the Netherlands, Portugal and Australia against Mercedes-Benz Group AG and further Group companies. The proceedings in Israel were concluded in March 2025 with a court approved settlement in which the Mercedes-Benz Group consents to continue the implementation of diesel-related field measures. Due to this development in Israel and because the consumer class actions in Portugal and Australia do not constitute a material risk to the Mercedes-Benz Group

based on its current assessment, the Mercedes-Benz Group will no longer report on these proceedings.

Mercedes-Benz Group AG and the respective other affected companies of the Group regard the pending lawsuits set out above as being without merit and continue to defend themselves against the claims.

As previously reported, in the past, US state authorities had opened investigations pursuant to both local environmental and consumer protection laws in connection with diesel exhaust emissions of Mercedes-Benz vehicles and had requested documents and information. In the third quarter of 2025, the Mercedes-Benz Group reached an agreement in principle with these authorities to settle claims under local environmental and consumer protection laws. As part of this settlement, the Mercedes-Benz Group denies the allegations raised in the investigations and does not admit liability, but agrees to make settlement payments. The settlement is subject to final approval by the relevant state authorities and courts, and it still needs to be memorialized in binding consent judgements. The Mercedes-Benz Group expects the total costs for these settlements to reach a low three-digit million euro amount and has recognized corresponding provisions.



As previously reported, in the United States, the Mercedes-Benz Group reached agreements in 2020 with various authorities to settle civil environmental claims regarding the emission control systems of certain diesel vehicles. As part of these settlements, the Mercedes-Benz Group agreed to, among other things, conduct an emission modification programme for the affected vehicles and take certain other measures. Meanwhile, the Mercedes-Benz Group has substantially satisfied its obligations from these agreements. Provisions have been recognized for the emission modification programme and other measures; in the case of the emission modification programme under product warranties.

The activities of various further authorities worldwide reported in the past (e.g. the German Federal Motor Transport Authority (KBA), the South Korean authorities, the Canadian environmental regulator and the Brazilian antitrust authority) in connection with diesel exhaust emissions of Mercedes-Benz vehicles are partly ongoing. In the past, these activities carried the risk that authorities could raise new suspicions, initiate investigations or make certain determinations and that plaintiffs or further authorities could adopt such suspicions or determinations. In the view of the Mercedes-Benz Group these risks have meanwhile decreased and they currently do not, either individually or in their entirety, constitute a material risk to the Mercedes-Benz Group. The Mercedes-Benz Group continues to fully cooperate with the relevant authorities, however it will no longer report on these administrative proceedings and activities in the future.

In accordance with IAS 37.92, no further information is disclosed with respect to whether, or to what extent, provisions have been recognized and/or contingent liabilities have been disclosed with respect to the procedures described in the preceding paragraphs, so as not to prejudice the Mercedes-Benz Group's position. This does not apply to provisions insofar as a settlement has been reached or a proceeding has been concluded.

As previously reported, in 2019, the UK Financial Conduct Authority (FCA) started a review into commission models that allowed broker discretion on interest rates (discretionary commission arrangements DCAs). In the view of the FCA, such models created incentives for brokers to charge a higher interest rate to customers in order to earn more commission and therefore caused customer harm on a potentially significant scale. A large number of customers who entered into finance agreements with Mercedes-Benz Financial Services UK Limited (MBFS UK) have raised out-of-court complaints for damages and/or filed court claims against MBFS UK for damages. They claim that the brokers and MBFS UK breached contractual, regulatory and/or other duties owed to customers by failing to provide adequate disclosure in respect of commission arrangements.

In a case to which the Mercedes-Benz Group was not a party, the UK Supreme Court found in August 2025 that liability could extend to non-DCA cases where there was an unfair contractual relationship. In October 2025 the FCA published details of a Draft Motor Finance Redress Scheme (Draft Scheme). It proposes that redress be provided to customers for agreements since 2007 that constitute DCAs or which entail high charges for credit that are materially above market conditions or in cases where the broker is commercially tied to a single financing party or a small group of lenders. The Draft Scheme is not final, and relevant industry bodies have, in the course of a corresponding consultation by the FCA, provided comprehensive feedback on it. A final Motor Finance Redress Scheme may therefore differ from the current Draft Scheme. Based on the developments set out above and taking into account the current Draft Scheme, other provisions were increased by a mid-three-digit million euro amount.

In 2021, a number of Australian Mercedes-Benz dealers lodged a claim against Mercedes-Benz Australia/Pacific Pty Ltd. (MBAuP) with a Federal Court in Australia. They alleged that MBAuP forced the dealers to accept a change in their business model from a dealership model to an agency model and thus deprived them of the goodwill they created through their investments in the Australian Mercedes-Benz dealership network.



They sought reinstatement of the dealership model or, alternatively, compensation for the damage they allegedly incurred. All lower courts dismissed the action in its entirety. In November 2025, the High Court of Australia, which has final jurisdiction, dismissed an application for leave to appeal filed by some of the dealers. Therefore, the claim has been finally dismissed in its entirety in favour of MBAuP.

Since 2022, two class actions have been pending in the United States alleging claims based on a voluntary recall of certain Mercedes-Benz ML-, GL- and R-Class vehicles produced during the 2004–2015 model years for potentially corroded brake boosters. Among other things, the plaintiffs allege that the brake boosters in such vehicles can corrode and lead to reduced braking force. They allege failure to disclose the claimed defect and assert various claims. One of the two class action lawsuits has been limited to Washington State residents and limited to claims for unjust enrichment and claims arising from consumer protection regulations. The Mercedes-Benz Group considers the lawsuits to be without merit and defends itself against them.

In 2021, individual persons associated with Deutsche Umwelthilfe e.V. (DUH) filed a lawsuit before the Stuttgart Regional Court against Mercedes-Benz AG. They claim injunctive relief, demanding that Mercedes-Benz AG refrain from distributing passenger cars with combustion engines after November 2030 and reduce its respective sales prior to this point in time. In the first instance the claim was dismissed in its entirety and in 2023, the Higher Regional Court of Stuttgart upheld this decision and dismissed the plaintiffs' appeal as manifestly unfounded. The German Federal Court of Justice has allowed the appeal by the plaintiffs. Mercedes-Benz AG will continue to defend itself against the plaintiffs' allegations.

To avoid prejudicing the Mercedes-Benz Group's position in the proceedings described in the two preceding paragraphs, the Mercedes-Benz Group, in accordance with IAS 37.92, no further information is disclosed with respect to whether, or to what extent, provisions have been recognized and/or contingent liabilities have been disclosed.

30. Contingent liabilities and other financial obligations

Contingent liabilities

At 31 December 2025, the best estimate for obligations from **contingent liabilities** was €3,156 million (2024: €2,807 million). The contingent liabilities are comprised of contingent liabilities in connection with the legal proceedings of €2,147 million (2024: €2,333 million) as described in [Note 29](#), the potential provision of financial support to joint ventures of €622 million (2024: €0 million) as described in [Note 36](#), the product warranties of €318 million (2024: €319 million) and of contingent liabilities in connection with other risks of €69 million (2024: €155 million).

Other financial obligations

At 31 December 2025, other financial obligations of €6,282 million (2024: €6,572 million) exist from the **acquisition of intangible assets, property, plant and equipment and equipment on operating leases**.

In addition, the Mercedes-Benz Group issued **irrevocable loan commitments** at 31 December 2025. These loan commitments had not been utilized as of that date. Further information with respect to these irrevocable loan commitments is provided in [Note 32](#).



31. Financial instruments

Carrying amounts and fair values of financial instruments

The carrying amounts and fair values of the respective classes of the Group's financial instruments are shown in the following table "Carrying amounts and fair values of financial instruments" and contain the Group amounts, including assets and liabilities held for sale. The fair values of financial instruments were calculated on the basis of market information available on the balance sheet date. The following methods and assumptions were used.

Receivables from financial services

For the sake of simplicity, the fair values of receivables from financial services with variable interest rates are estimated to be equal to the respective carrying amounts, because the agreed upon interest rates and those available in the market do not significantly differ. The fair values of receivables from financial services with fixed interest rates are determined on the basis of discounted expected future cash flows.

Discounting is based on the current interest rates at which similar loans with identical terms could have been obtained at 31 December 2025 and 31 December 2024.

Trade receivables and cash and cash equivalents

Due to the short terms and the fundamentally low credit risk of these financial instruments, it is assumed that their fair values are equal to the carrying amounts.

Marketable debt securities and similar investments as well as other financial assets

Marketable debt securities are measured at fair value through profit or loss or at fair value through other comprehensive income. Similar investments are measured at amortized cost and are not included in the measurement hierarchy, as the carrying amount is a reasonable approximation of fair value due to the short terms of these financial instruments and the fundamentally low credit risk.

Equity instruments are measured at fair value through profit or loss or at fair value through other comprehensive income. Equity instruments measured at fair value through other comprehensive income primarily comprise the shares in Momenta Global Limited, Chongqing Afari Technology Co., Ltd. and BAIC BluePark New Energy Technology Co., Ltd.

Marketable debt securities and equity instruments measured at fair value were measured using quoted market prices at the end of the reporting period. If quoted market prices are not available for these debt and equity instruments, fair value measurement is based on inputs that are either directly or indirectly observable in active markets. Fair values are calculated using recognized financial valuation models such as discounted cash flow models or multiples, taking into account current valuation parameters such as interest rates and exchange rates.

Other financial assets measured at fair value through profit or loss relate to derivative financial instruments not used in hedge accounting. These financial instruments as well as derivative financial instruments used in hedge accounting comprise:



- derivative currency hedging contracts; the fair values of cross-currency interest rate swaps are determined on the basis of the discounted estimated future cash flows (taking account of credit premiums and default risks) using the market interest rates appropriate to the remaining terms of the financial instruments. The measurement of currency forwards is based on market quotes of forward curves. Currency options, if used, are measured with option-pricing models using market data
- derivative interest rate hedging contracts; the fair values of interest rate hedging instruments (e.g. interest rate swaps) are calculated on the basis of the discounted estimated future cash flows (taking account of credit premiums and default risks) using the market interest rates appropriate to the remaining terms of the financial instruments
- derivative commodity hedging contracts; the fair values of commodity hedging contracts (e.g. commodity swaps) are determined on the basis of current reference prices with consideration of forward premiums and discounts and default risks

Other financial receivables and other financial assets are carried at amortized cost. Because of the predominantly short maturities and the fundamentally lower credit risk of these financial instruments, it is assumed that the fair values approximate the carrying amounts.

Financing liabilities

Financing liabilities are measured at amortized cost. The fair values of bonds, loans, commercial paper, deposits from the direct banking business and liabilities from ABS transactions are calculated as present values of the estimated future cash flows (taking account of credit premiums and default risks). Market interest rates for the appropriate terms are used for discounting.

Trade payables

Due to the short maturities of these financial instruments, it is assumed that their fair values are equal to the carrying amounts.

Reverse factoring agreements did not change the relevant characteristics of a trade payable for the Group for the liabilities concerned. As a result, there were no reclassifications of these trade payables to financing liabilities.

Contract and refund liabilities

Contract and refund liabilities include obligations from sales transactions that qualify as financial instruments. Obligations from sales transactions should generally be regarded as current. Due to the short maturities of these financial instruments, it is assumed that their fair values are equal to the carrying amounts.

Other financial liabilities

Other financial liabilities measured at fair value through profit or loss comprise derivative financial instruments not used in hedge accounting. For information regarding these financial instruments as well as derivative financial instruments used in hedge accounting, see the notes above under "Marketable debt securities and similar investments as well as other financial assets".

Miscellaneous other financial liabilities are carried at amortized cost. Because of the predominantly short maturities of these financial instruments, it is assumed that the fair values are equal to the carrying amounts.

See [Note 1](#) for further qualitative descriptions of accounting for and presentation of financial instruments (including derivative financial instruments).


Carrying amounts and fair values of financial instruments

	31 December		31 December	
	Carrying amount	Fair value	Carrying amount	Fair value
In millions of euros				
Receivables from financial services	76,719	78,487	87,950	90,048
Trade receivables	5,893	5,893	6,982	6,982
Cash and cash equivalents	12,276	12,276	14,517	14,517
Marketable debt securities and similar investments	7,566	7,566	7,730	7,730
Measured at fair value through profit or loss	6,693	6,693	5,952	5,952
Measured at fair value through other comprehensive income	715	715	880	880
Measured at cost	158	158	898	898
Other financial assets				
Equity instruments and debt instruments	1,273	1,273	1,293	1,293
Measured at fair value through profit or loss	554	554	589	589
Measured at fair value through other comprehensive income	719	719	704	704
Other financial assets measured at fair value through profit or loss	291	291	271	271
Derivative financial instruments used in hedge accounting	1,741	1,741	1,291	1,291
Other receivables and miscellaneous other financial assets	2,402	2,402	2,690	2,690
Financial assets	108,161	109,929	122,724	124,822
Financing liabilities	98,486	98,529	110,583	110,095
Trade payables	11,092	11,092	11,312	11,312
Other financial liabilities				
Other financial liabilities measured at fair value through profit or loss	76	76	114	114
Derivative financial instruments used in hedge accounting	371	371	1,118	1,118
Miscellaneous other financial liabilities	5,168	5,168	4,334	4,334
Contract and refund liabilities				
Obligations from sales transactions	4,379	4,379	4,655	4,655
Financial liabilities	119,572	119,615	132,116	131,628



Offsetting of financial instruments

The Group concludes derivative transactions in accordance with the master netting agreements of the International Swaps and Derivatives Association (ISDA) and comparable national framework agreements. However, these agreements do not meet the criteria for netting in the Consolidated Statement of Financial Position, as they allow netting only in the case of future events such as default or insolvency on the part of the Group or the counter-parties.

The following table shows the carrying amounts of the derivative financial instruments subject to the described agreements as well as the possible financial effects of netting in accordance with the master netting agreements.

Disclosure for recognized derivative financial instruments that are subject to an enforceable master netting arrangement or similar agreement

	31 December		31 December	
	2025	2024	2025	2024
	Other financial assets ¹		Other financial liabilities ²	
In millions of euros				
Gross and net amounts of financial instruments in the Consolidated Statement of Financial Position	2,032	1,562	447	1,232
Amounts subject to a master netting arrangement	-317	-888	-317	-888
Net amounts	1,715	674	130	344

¹ The other financial assets which are subject to a master netting agreement comprise derivative financial instruments that are included in hedge accounting and other financial assets measured at fair value through profit or loss (Further information is provided in [Note 16](#)).

² The other financial liabilities which are subject to a master netting agreement comprise derivative financial instruments that are included in hedge accounting and other financial liabilities measured at fair value through profit or loss (Further information is provided in [Note 25](#)).



Measurement hierarchy

The following table provides an overview of the classification into measurement hierarchies of financial assets and liabilities measured at fair value (according to IFRS 13).

At the end of the reporting period, the Group reviews whether reclassifications between the measurement hierarchies are necessary compared to 31 December of the previous year.

For the determination of the credit risk from derivative financial instruments which are allocated to the Level 2 measurement hierarchy, portfolios managed on the basis of net exposure are applied.

Measurement hierarchy of financial assets and liabilities measured at fair value

	31 December				31 December			
	Total	Level 1 ¹	Level 2 ²	Level 3 ³	Total	Level 1 ¹	Level 2 ²	Level 3 ³
In millions of euros								
Marketable debt securities and similar investments	7,408	7,407	1	-	6,832	6,780	52	-
Measured at fair value through profit or loss	6,693	6,692	1	-	5,952	5,950	2	-
Measured at fair value through other comprehensive income	715	715	-	-	880	830	50	-
Equity instruments and debt instruments	1,273	210	26	1,037	1,293	316	303	674
Measured at fair value through profit or loss	554	12	-	542	589	28	9	552
Measured at fair value through other comprehensive income	719	198	26	495	704	288	294	122
Other financial assets measured at fair value through profit or loss	291	-	287	4	271	-	243	28
Derivative financial instruments used in hedge accounting	1,741	-	1,741	-	1,291	-	1,291	-
Financial assets measured at fair value	10,713	7,617	2,055	1,041	9,687	7,096	1,889	702
Other financial liabilities measured at fair value through profit or loss	76	-	76	-	114	-	114	-
Derivative financial instruments used in hedge accounting	371	-	371	-	1,118	-	1,118	-
Financial liabilities measured at fair value	447	-	447	-	1,232	-	1,232	-

¹ Fair value measurement is based on quoted prices (unadjusted) in active markets for these or identical assets or liabilities.

² Fair value measurement is based on inputs that can be observed directly or indirectly on an active market.

³ Fair value measurement is based on inputs for which no observable market data is available.



The equity instruments and debt instruments allocated to Level 3 comprise, on the one hand, individual strategic investments and, on the other hand, investments in numerous venture capital funds. The determination of the fair value of the strategic investments is based on prices from recent financing rounds, provided these are no more than nine months old.

Otherwise, the fair values of the strategic investments are determined using discounted cash flow models. The valuation of the venture capital funds is based on the most recently available fund reports.

Development of the equity instruments and debt instruments allocated to Level 3

	31 December		31 December	
	2025	2024	2025	2024
	Measured at fair value through profit or loss		Measured at fair value through other comprehensive income	
In millions of euros				
Balance at 1 January	552	376	122	308
Additions	9	8	162	-
Disposals	-6	-4	-	-56
Reclassification in/out of Level 3	9	206	288	12
Changes in fair value recognised in other financial income/expense, net	-5	-43	-	-
Changes in fair value recognised in other comprehensive income/loss	-	-	-65	-152
Currency translations and other changes	-17	9	-12	10
Balance at 31 December	542	552	495	122

The increase in equity instruments and debt instruments measured at fair value through other comprehensive income in the current year is primarily attributable to the reclassification of our shares in Momenta Global Limited from Level 2 to Level 3, as

the last financing round in which the Group participated was more than nine months ago. The acquisition of shares in Chongqing Afari Technology Co., Ltd. also led to an increase.



The following table shows into which level of the measurement hierarchies (according to IFRS 13) the fair values of the financial assets and liabilities that are not measured at fair value in the Consolidated Statement of Financial Position are classified.

Measurement hierarchy of financial assets and liabilities not recognized at fair value

	31 December 2025				31 December 2024			
	Total	Level 1 ¹	Level 2 ²	Level 3 ³	Total	Level 1 ¹	Level 2 ²	Level 3 ³
In millions of euros								
Fair values of financial assets measured at cost								
Receivables from financial services	78,487	-	78,487	-	90,048	-	90,048	-
Fair values of financial liabilities measured at cost								
Financing liabilities	98,529	45,448	53,081	-	110,095	52,673	57,422	-
thereof bonds	54,691	45,448	9,243	-	62,207	52,673	9,534	-
thereof liabilities from ABS transactions	16,323	-	16,323	-	18,371	-	18,371	-
thereof other financing liabilities	27,515	-	27,515	-	29,517	-	29,517	-

¹ Fair value measurement is based on quoted prices (unadjusted) in active markets for these or identical assets or liabilities.

² Fair value measurement is based on inputs that can be observed directly or indirectly on an active market.

³ Fair value measurement is based on inputs for which no observable market data is available.



Measurement categories

Carrying amounts of financial instruments according to measurement categories¹

	2025	31 December 2024
In millions of euros		
Financial assets measured at (amortized) cost	80,382	93,929
Receivables from financial services ²	59,653	68,842
Trade receivables	5,893	6,982
Cash and cash equivalents	12,276	14,517
Marketable debt securities and similar investments	158	898
Other receivables and miscellaneous other financial assets	2,402	2,690
Financial assets measured at fair value through profit or loss	7,538	6,812
Marketable debt securities and similar investments	6,693	5,952
Equity instruments and debt instruments	554	589
Other financial assets measured at fair value through profit or loss ³	291	271
Financial assets measured at fair value through other comprehensive income	1,434	1,584
Marketable debt securities and similar investments	715	880
Equity instruments and debt instruments	719	704
Financial liabilities measured at (amortized) cost	119,081	130,883
Financing liabilities ⁴	98,486	110,583
Trade payables	11,092	11,312
Miscellaneous other financial liabilities ⁵	5,124	4,333
Obligations from sales transactions	4,379	4,655
Other financial liabilities measured at fair value through profit or loss ³	76	114

1 The carrying amounts of derivative financial instruments used in hedge accounting are not included in the table as these financial instruments are not assigned to a measurement category.

2 This does not include lease receivables of €17,066 million (2024: €19,108 million) as these are not assigned to a measurement category.

3 These amounts relate to derivative financial instruments that are not included in hedge accounting.

4 This does not include liabilities from lease transactions of €2,020 million (2024: €2,242 million) as these are not assigned to a measurement category.

5 This does not include financial guarantees of €44 million (2024: €1 million) as these are not assigned to a measurement category.



Net gains or losses

The following table shows the net gains/losses on financial instruments included in the Consolidated Statement of Income (excluding derivative financial instruments used in hedge accounting).

Net gains/losses	2025	2024
In millions of euros		
Equity and debt instruments recognized at fair value through profit or loss	5	-63
Other financial assets and other financial liabilities measured at fair value through profit or loss	385	356
Equity instruments recognized at fair value through other comprehensive income	4	4
Other financial assets measured at fair value through other comprehensive income	-3	-3
Financial assets measured at (amortized) cost	-780	-626
Financial liabilities measured at (amortized) cost	-192	-196

Net gains/losses on equity and debt instruments recognized at fair value through profit or loss primarily comprise gains and losses attributable to changes in the fair values of these instruments.

Net gains/losses on other financial assets and liabilities measured at fair value through profit or loss comprise gains and losses attributable to changes in their fair values, including those from derivative financial instruments that are not included in hedge accounting.

Net gains/losses on equity instruments recognized at fair value through other comprehensive income comprise dividend payments.

Net gains/losses on other financial assets measured at fair value through other comprehensive income are primarily attributable to exchange-rate effects.

Net gains/losses on financial assets measured at (amortized) cost (excluding the interest income/expense shown below) primarily comprise impairment losses (including reversals of impairment losses) of €573 million (2024: €633 million) that are charged to cost of sales, selling expenses and other financial income/expense. Foreign currency gains and losses are also included.

Net gains/losses on financial liabilities measured at (amortized) cost (excluding the interest income/expense shown below) primarily comprise exchange-rate effects.

Total interest income and total interest expense

Total interest income and total interest expense for financial assets or financial liabilities that are not measured at fair value through profit or loss are shown in the following table.

Total interest income and total interest expense	2025	2024
In millions of euros		
Total interest income	5,576	6,211
thereof from financial assets and liabilities measured at (amortized) costs	5,535	6,115
thereof from financial assets measured at fair value through other comprehensive income	41	96
Total interest expense	-3,848	-4,089
thereof from financial assets and liabilities measured at (amortized) costs	-3,848	-4,089
thereof from financial assets measured at fair value through other comprehensive income	-	-



Information on derivative financial instruments

Use of derivatives

The Mercedes-Benz Group uses derivative financial instruments basically only for hedging financial risks that arise from its operating or refinancing activities or from its liquidity management. These are mainly currency risks, interest rate risks and commodity price risks, which have been defined as risk categories.

For these hedging purposes, the Group mainly uses currency forward transactions, cross-currency interest rate swaps, interest rate swaps and commodity hedging contracts. No commodity hedges were included in hedge accounting in the reporting year or in the previous year.

Most of the transactions for which the effects from the measurement of the hedging instrument and the underlying transaction to a large extent offset each other in the Consolidated Statement of Income were not included in the hedge accounting.

Even if derivative financial instruments do not or no longer qualify for hedge accounting, these instruments still serve to hedge financial risks from business operations, provided that the underlying business is still expected.

Explanations of the hedging of exchange-rate risks, interest rate risks and commodity price risks can be found in [Note 32](#).

Amounts for the transactions designated as hedging instruments

	Currency risk		Interest rate risk		Interest rate risk	
	Cash flow hedges ¹		Cash flow hedges ²		Fair-value hedges ²	
	31 December		31 December		31 December	
	2025	2024	2025	2024	2025	2024
In millions of euros						
Carrying amount of the hedging instruments						
Other financial assets current	925	516	-	58	7	12
Other financial assets non-current	388	115	397	543	24	47
Other financial liabilities current	62	465	22	15	4	28
Other financial liabilities non-current	35	268	50	49	198	293
Fair value changes of the hedging instruments³	2,463	-534	-172	-343	110	354

1 Includes currency forwards.

2 Includes the following hedging instruments: interest rate swaps, cross-currency interest rate swaps.

3 Gains and losses from hedging instruments used for recognizing hedge ineffectiveness.

**Cash flow hedges and hedges of net investments in foreign operations**

The Mercedes-Benz Group uses cash flow hedges for hedging currency risks, interest rate risks and commodity price risks. The amounts related to items designated as cash flow hedges are shown in the following table.

The Group also partially hedges the currency risk of selected investments with the application of derivative or non-derivative financial instruments. Neither in the reporting year nor in the previous year were there any active hedges of net investments in foreign operations.

Cash flow hedges and hedges of net investments in foreign operations

	2025		2024	
	Currency risk	Interest rate risk	Currency risk	Interest rate risk
In millions of euros				
Fair-value changes of the hedged items ¹	-2,463	172	534	343
Balance of the reserves for derivative financial instruments (before taxes)				
Continuing hedges	1,405	271	178	519
Discontinued/terminated hedges	-184	-	-174	-
thereof hedges of net investments in foreign operations	-270	-	-270	-

¹ Fair-value changes of the hedged items used for recognizing hedge ineffectiveness.



There were no results from the ineffective portion (hedge-ineffective portion) of cash flow hedges in either 2025 nor 2024.

Gains and losses on cash flow hedges and hedges of net investments in foreign operations

In millions of euros	Currency risk			Interest rate risk	
	Revenues	Cost of sales	Other financial income/expense, net	Cost of sales	Interest expense
Line item in the Statement of Income in which the transfers are included					
2025					
Gains and losses recognized in other comprehensive income	2,444	19	-	-23	-149
Transfer of gains and losses from reserves for derivative financial instruments to the statement of income					
For hedges for which the hedged future cash flows are no longer expected to occur	-	-	-6	-	-
For hedges that have been transferred because the hedged item has affected profit or loss	-1,224	-1	-	-	-60
2024					
Gains and losses recognized in other comprehensive income	-556	22	-	-35	-308
Transfer of gains and losses from reserves for derivative financial instruments to the statement of income					
For hedges for which the hedged future cash flows are no longer expected to occur	-53	1	-	-	-
For hedges that have been transferred because the hedged item has affected profit or loss	-1,335	-	-	4	-27

Fair-value hedges

The Group uses fair-value hedges primarily for hedging interest rate risks.

	Interest rate risk	
	2025	2024
In millions of euros		
Carrying amounts of the hedged items		
Financing liabilities current	4,352	4,782
thereof hedge adjustments	-10	-36
Financing liabilities non-current	8,618	10,613
thereof hedge adjustments	-223	-294
Fair-value changes of the hedged items ¹	-110	-354
Accumulated amount of hedge adjustments from inactive hedges remaining in the statement of financial position	-	3

¹ Fair-value changes of the hedged items used for recognizing hedge ineffectiveness.

Neither in the current year nor in the previous year were there any results attributable to the ineffective portion of the hedge with fair-value hedges.



Reserves for derivative financial instruments

The following table shows the reconciliation of the reserves for derivative financial instruments (excluding reserves for hedges of net investments in foreign operations).

The balance of reserves for hedges of net investments in foreign operations amounted to minus €204 million (2024: minus €189 million).

Reconciliation of reserves for derivative financial instruments

	Reserves for derivative financial instruments		Thereof reserves for hedge costs	
	2025	2024	2025	2024
In millions of euros				
Balance at 1 January	289	1,485	-264	-658
Unrealized gains/losses before taxes	2,065	-907	-225	-32
Currency risk	2,236	-574	-226	-42
Interest rate risk	-171	-333	1	10
Reclassification to profit and loss before taxes	-908	-772	389	638
Currency risk	-849	-749	389	638
Interest rate risk	-59	-23	-	-
Reclassification to cost of acquisition of non-financial assets before taxes	-44	-19	-35	-45
Currency risk – procurement	-44	-19	-35	-45
Taxes on unrealized gains/losses and reclassifications as well as other changes	-336	502	-39	-167
Balance at 31 December	1,066	289	-174	-264

**Nominal values of derivative financial instruments used in hedge accounting**

At 31 December 2025, the Mercedes-Benz Group utilized derivative financial instruments with a maximum maturity of 68 and 139 months, respectively, (2024: 72 and 113 months) as hedges for currency risks and interest rate risks.

The following table shows the nominal values of derivative financial instruments used in hedge accounting for the purpose of hedging currency risks and interest rate risks that arise from the Group's operating and/or financing activities.

The maturities of the derivative financial instruments generally correspond with those of the underlying transactions. The realization of the underlying transactions is expected to correspond with the maturities of the hedging transactions shown in the following table.

Nominal amounts of derivative financial instruments used in hedge accounting

	31 December 2025				31 December 2024			
	Maturity of nominal amounts				Maturity of nominal amounts			
	< 1 year	1 year up to 5 years	> 5 years	Total	< 1 year	1 year up to 5 years	> 5 years	Total
In millions of euros								
Currency risk	16,654	9,576	116	26,346	20,236	15,044	156	35,436
Interest rate risk	7,979	18,747	2,100	28,826	10,583	22,944	1,685	35,212
Fair-value hedges	4,250	7,515	1,350	13,115	4,687	9,997	935	15,619
Cash flow hedges	3,729	11,232	750	15,711	5,896	12,947	750	19,593



Average prices of hedging instruments used in hedge accounting

	31 December	
	2025	2024
Average prices of hedging instruments for the major risks		
Currency risk		
USD per €	1.10	1.10
CNY per €	7.72	7.45
CHF per €	0.90	0.93
Interest rate risk		
Fair-value hedges		
Average interest rate – €	-0.66%	-1.82%
Average interest rate – USD	-1.62%	-2.23%
Cash flow hedges		
Average interest rate – €	1.97%	2.43%
Average interest rate – USD	1.10%	1.79%

32. Management of financial risks

General information on financial risks

As a result of its businesses and the global nature of its operations, the Mercedes-Benz Group is exposed to market price risks from changes in foreign currency exchange rates and interest rates, while price risks arise from the procurement of raw materials and energy, for example. An equity price risk results from investments in listed companies. In addition, the Group is exposed to credit risks mainly from its financing activities and from its business operations (trade receivables). Furthermore, the Group is exposed to country and liquidity risks relating to its credit and market price risks, a deterioration of its business operations or financial market disturbances. If these financial risks materialize, they adversely affect the Group's profitability, cash flows and financial position.

The Mercedes-Benz Group has established internal policies for risk controlling procedures and for the regulation of the use of financial instruments, including a clear segregation of duties with regard to financial activities, settlement, accounting and the related controlling. The guidelines upon which the Group's risk management processes for financial risks are based are

designed to identify and analyse these risks throughout the Group, to set appropriate risk limits and controls and to monitor the risks by means of reliable and up-to-date administrative and information systems. The guidelines and systems are regularly reviewed and adjusted in line with changes in markets and products.

The Group manages and monitors these risks primarily through its operating and financing activities and, if required, through the use of derivative financial instruments. The Mercedes-Benz Group uses derivative financial instruments for hedging financial risks that arise from its business operations or refinancing activities or liquidity management. Without these derivative financial instruments, the Group would be exposed to higher financial risks. Additional information on financial instruments and especially on the volume of the derivative financial instruments used is included in [Note 31](#). The Mercedes-Benz Group regularly evaluates its financial risks with due consideration of changes in key economic indicators and up-to-date market information.

The market sensitive instruments, including equity and debt securities, that the plan assets hold to finance pension and post-employment healthcare benefits, are not included in the following quantitative and qualitative analysis. See [Note 22](#) for additional information on the Mercedes-Benz Group's pension and post-employment healthcare benefits.



Credit risk

Credit risk describes the risk of financial loss resulting from a counterparty failing to meet its contractual payment obligations. In addition to the direct risk of default, credit risk considerations also include risks from deterioration in creditworthiness and concentration risks.

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts at the balance sheet date (without consideration of collateral, if available). There is also a default risk from financial guarantees and irrevocable loan commitments which have not been utilized as of that date. The maximum callable amounts are shown for the maximum risk position of the loan commitments and the maximum possible payment obligations from financial guarantees granted are shown for the financial guarantees.

Maximum risk position of financial assets, irrevocable loan commitments and financial guarantees¹

	Note	Maximum risk position	
		2025	2024
In millions of euros			
Liquid assets		19,842	22,246
Receivables from financial services	14	76,719	87,867
Trade receivables	19	5,893	6,982
Derivative financial instruments used in hedge accounting (assets only)	31	1,741	1,291
Derivative financial instruments not used in hedge accounting (assets only)	31	291	271
Other receivables and financial assets	31	2,402	2,690
Irrevocable loan commitments		2,289	2,635
Financial guarantees		384	139

¹ The maximum exposure information presented in the table refers to Group amounts, including assets and liabilities held for sale.

Liquid assets

Liquid assets consist of cash and cash equivalents and marketable debt securities and similar investments. When investing liquid assets, financial institutions and issuers of securities are selected very carefully and diversified in accordance with a limit system. Liquid assets are mainly held at financial institutions within and outside Europe with high creditworthiness, as bonds issued by German federal states and in money market funds. In connection with investment decisions, priority is placed on the borrower's very high creditworthiness and on balanced risk diversification. The limits and their utilization are reassessed continuously. In this assessment, the Mercedes-Benz Group also considers the credit risk assessment of its counterparties by the capital markets. In line with the Group's risk policy, most liquid assets are held in investments with an external rating of A or better. Liquid assets are thus not subject to a material credit risk and are allocated to stage 1 of the impairment model under IFRS, which is based on expected credit risk.



Receivables from financial services

The Mercedes-Benz Group's financing and leasing activities are primarily focused on supporting the sales of the Group's automotive products. As a consequence of these activities, the Group is exposed to credit risk, which is monitored and managed based on defined standards, guidelines and procedures. The Mercedes-Benz Group manages its credit risk irrespective of whether it is related to a financing contract or to an operating lease or a finance lease contract. For this reason, statements concerning the credit risk of Mercedes-Benz Financial Services refer to the entire financing and leasing business, unless otherwise specified.

Exposure to credit risk from financing and lease activities is monitored based on the portfolio subject to credit risk. The portfolio subject to credit risk consists of wholesale and retail receivables from financial services and the portion of the operating lease portfolio that is subject to credit risk. Receivables from financial services comprise claims arising from finance lease contracts and repayment claims from financing loans. The operating lease portfolio is reported under equipment on operating leases in the Group's Consolidated Statement of Financial Position. Lease payments due from operating lease contracts are recognized in receivables from financial services.

The Mercedes-Benz Financial Services segment has policies setting the framework for effective risk management at a global as well as a local level. In particular, these policies deal with minimum requirements for all risk-relevant credit processes, the definition of financing products offered, the evaluation of the customers' creditworthiness, requests for collateral and the treatment of unsecured loans and non-performing claims. The limitation of concentration risks is implemented primarily by means of global limits, which refer to customer exposures. To comply with these limits, Mercedes-Benz Financial Services applies approval standards and measures to avoid concentration risks. Only two customers were granted a credit line in the form of a large loan. The Mercedes-Benz Financial Services portfolio consists of a large number of small and medium-sized enterprises and private customers from more than 30 countries. At 31 December 2025, this segment accounted for 72% of the portfolio.

With respect to its financing and lease activities, the Group holds collateral for customer transactions limiting actual credit risk through its fair value. The value of collateral generally depends on the amount of the financed assets. The financed vehicles usually serve as collateral. Furthermore, Mercedes-Benz Financial Services limits credit risk from financing and lease activities, for example through deposits from customers.

For the assessment of the default risk of retail and small business customers, scoring systems are applied to evaluate their creditworthiness. Corporate customers are evaluated using internal rating instruments. Both evaluation processes use external credit bureau data if available. The scoring and rating results as well as the availability of security and other risk mitigation instruments, such as deposits, guarantees and, to a lesser extent, residual debt insurance, are essential elements for credit decisions.

If, in connection with contracts, a worsening of payment behaviour or other causes of an increased credit risk are recognized, collection procedures are initiated by claims management to obtain the overdue payments of the customer, to take possession of the asset financed or leased or, alternatively, to renegotiate the impaired contract. Internal restructuring policies for loan and leasing contracts are based on the indicators or criteria which, in the judgement of local management, indicate that repayment will probably continue and that the total proceeds expected to be derived from the renegotiated contract exceed the expected proceeds to be derived from immediate repossession and remarketing. In the case of receivables from financial services, significant modifications of financial assets were only made in rare cases and to an insignificant extent.



The allowance ratio slightly increased compared to the previous year, mainly due to the deterioration of the macroeconomic outlook. The credit loss rate increased slightly compared to the previous year, mainly due to higher losses in Germany and France and a continued higher level of credit losses in the USA.

For information on credit risks included in receivables from financial services, see [Note 14](#). Information on the measurement of expected credit losses is provided in [Note 1](#).

Trade receivables

Trade receivables are mostly receivables from worldwide sales of vehicles and spare parts. The credit risk encompasses the default risk of customers, e.g. dealers and general distribution companies, as well as other corporate and private customers. In order to identify credit risks, the Mercedes-Benz Group assesses the creditworthiness of customers. The Mercedes-Benz Group manages its credit risk from trade receivables using appropriate IT applications and databases on the basis of internal policies which have to be followed group-wide.

A significant proportion of the trade receivables from each country's domestic business is secured by various country-specific types of collateral. This collateral includes conditional sales, guarantees and sureties, as well as mortgages and deposits from customers.

In the export business, the Mercedes-Benz Group evaluates its customers' creditworthiness by means of an internal rating process with consideration of the respective country risk. In this context, annual financial statements and other relevant information, such as the payment history of the general distribution companies, are used and assessed.

Depending on the creditworthiness of the customers, the Mercedes-Benz Group establishes credit limits and limits credit risks with the following types of collateral:

- credit insurances
- first-class bank guarantees and
- letters of credit

These procedures are defined in an export credit policy, which has group-wide validity.

For impairments of trade receivables, the simplified approach is applied, according to which these receivables are allocated to stage 2. The expected credit losses until maturity for these trade receivables are taken into account upon initial recognition.

Further information on trade receivables and the status of loss allowances recognized is provided in [Note 19](#).

Derivative financial instruments

The Group uses derivative financial instruments for hedging financial risks that arise from its business operations, financing activities or liquidity management. The Mercedes-Benz Group manages its credit risk exposure in connection with derivative financial instruments through a limit system, which is based on the review of each counterparty's financial strength. This system limits and diversifies the credit risk. As a result, the Mercedes-Benz Group is exposed to credit risk only to a small extent with respect to its derivative financial instruments. In accordance with the Group's risk policy, most derivatives are contracted with counterparties which have an external rating of A or better.

Other receivables and financial assets

The Mercedes-Benz Group is exposed to credit risk only to a small extent with respect to other receivables and financial assets included in other financial assets in 2025 and 2024.

**Irrevocable loan commitments**

The Mercedes-Benz Financial Services segment in particular is exposed to credit risks from irrevocable loan commitments to end customers and retailers. At 31 December 2025, irrevocable loan commitments amounted to €2,289 million (2024: €2,635 million). These loan commitments have a maturity of less than one year and are not subject to a material credit risk based on the current state of knowledge.

Financial guarantees

The maximum potential obligations resulting from financial guarantees amounted to €384 million at 31 December 2025 (2024: €139 million). Financial guarantees represent contractual arrangements. These guarantees generally provide that in the event of default or non-payment by the primary debtor, the Group, as the guarantor, will be required to settle such financial obligations to the holder of the guarantee up to a generally contractually agreed amount.

Country risk

Country risk is the risk of economic loss arising from changes of political, economic, legal or social conditions in the respective country, e.g. resulting from sovereign measures such as expropriation or interdiction of foreign currency transfers.

The Mercedes-Benz Group is exposed to country risks mainly resulting from cross-border funding or collateralization of Group companies and customers, from investments in Group companies, associated companies, joint ventures and joint operations as well as from cross-border trade receivables. Country risks also arise from cross-border cash deposits at financial institutions.

The Mercedes-Benz Group manages these risks via country exposure limits (e.g. for hard currency portfolios of financial services entities). An internal rating system serves as a basis for the Mercedes-Benz Group's risk-oriented country exposure management; it assigns all countries to risk classes, with consideration of external ratings.

Liquidity risk

Liquidity risk comprises the risk that a company cannot meet its financial obligations in full.

The Mercedes-Benz Group manages its liquidity by holding adequate volumes of liquid assets and by maintaining syndicated credit facilities in addition to the cash inflows generated by its business operations. Additionally, the possibility to securitize receivables (ABS transactions) also reduces the Group's liquidity risk. Liquid assets comprise cash and cash equivalents and marketable debt securities and similar investments. The Group can dispose of these liquid assets at short notice.

The Mercedes-Benz Group enables its suppliers to sell receivables against Group companies under reverse factoring programmes at their own discretion. These programmes are basically organized through external intermediary structures that connect a large number of suppliers with a large number of investors. The payment terms remain unaffected by the financing. Insofar as reverse factoring agreements are entered into, they have no influence on the liquidity risk of the Mercedes-Benz Group. Trade liabilities include liabilities of €1,029 million (2024: €1,388 million) at 31 December 2025 that are included in reverse factoring and have been fully financed by external investors. For comparable liabilities which are not included in reverse factoring, volume-weighted payment terms between 20 and 40 days were agreed. Liabilities included in reverse factoring had a volume-weighted target of between 60 and 80 days.



The funds raised are used to finance working capital and capital expenditure as well as the cash needs of the leasing and sales-financing business and unexpected liquidity needs. In accordance with internal policies, the refunding of the leasing and sales-financing business is generally carried out with matching maturities so that financing liabilities have the same maturity profile as the equipment on operating leases and the receivables from financial services.

At 31 December 2025, the liquidity of the Mercedes-Benz Group amounted to €19.8 billion (2024: €22.2 billion). In 2025, significant cash outflows resulted in particular from investments in intangible assets and property, plant and equipment, repayments that exceeded the raising of new financing liabilities, the dividend payments to the shareholders of Mercedes-Benz Group AG and income taxes paid. In contrast, there were significant cash inflows in connection with the development of business of the Mercedes-Benz Cars and Mercedes-Benz Vans segments as well as from leasing and sales financing business at Mercedes-Benz Financial Services. Furthermore, the dividends received from Beijing Benz Automotive Co., Ltd. and Daimler Truck Holding AG in particular had a positive effect on liquidity.

From an operating point of view, the management of the Group's liquidity exposures is centralized by a daily cash-pooling process. This process enables the

Mercedes-Benz Group to manage its liquidity surplus and liquidity requirements according to the actual needs of the Group and of the companies of the Group. The Group's short-term and medium-term liquidity management takes into account the maturities of financial assets and financial liabilities and estimates of cash flows from business operations.

In general, the Mercedes-Benz Group makes use of a broad spectrum of financial instruments to cover its funding requirements. Depending on funding requirements and market conditions, the Mercedes-Benz Group issues commercial paper, bonds (including green bonds), debt obligations and financial instruments secured by receivables in various currencies. Bank credit facilities are also used to cover financing requirements. Potential downgrades of the Mercedes-Benz Group's credit ratings could have a negative impact on the Group's financing. In June 2025, the Mercedes-Benz Group extended the term of the syndicated credit facility concluded in 2024 with a consortium of international banks and with a volume of €11 billion for another year. This extension grants the Mercedes-Benz Group additional financial flexibility until at least the year 2030. The syndicated credit line had not been utilized as of the reporting date. In addition, customer deposits at Mercedes-Benz Bank are used as a further source of refinancing.

Information on the Group's financing liabilities is also provided in [Note 24](#).



The following overview of liquidity runoff shows how the cash flows in connection with liabilities, derivative financial instruments and irrevocable loan commitments and financial guarantees as of 31 December 2025 may affect the Group's future liquidity situation.

Liquidity runoff at 31 December 2025 for liabilities and financial guarantees¹

	Total	2026	2027	2028	2029	2030	≥ 2031
In millions of euros							
Financing liabilities ²	108,373	40,258	28,429	14,175	6,913	6,386	12,212
thereof lease liabilities (undiscounted)	2,305	487	413	316	244	173	672
Derivative financial instruments ³	383	219	102	39	12	18	-7
thereof with gross settlement	146	118	38	9	-9	-6	-4
Cash outflows	13,277	10,174	1,719	900	376	67	41
Cash inflows	-13,131	-10,056	-1,681	-891	-385	-73	-45
thereof with net settlement	237	101	64	30	21	24	-3
Cash outflows	237	101	64	30	21	24	-3
Trade payables ⁴	10,665	10,665	-	-	-	-	-
Miscellaneous other financial liabilities	5,059	4,085	317	197	173	72	215
Obligations from sales transactions	4,379	4,379	-	-	-	-	-
Irrevocable loan commitments ⁵	2,289	2,289	-	-	-	-	-
Financial guarantees ⁶	384	384	-	-	-	-	-
	131,532	62,279	28,848	14,411	7,098	6,476	12,420

1 The amounts were calculated as follows:

- (a) If the counterparty can request payment at different dates, the liability is included on the basis of the earliest date on which the Mercedes-Benz Group can be required to pay. The customer deposits of Mercedes-Benz Bank are therefore mostly considered in this analysis to mature within the first year.
- (b) The interest payments of floating-interest financial instruments are estimated on the basis of forward rates.
- 2 The stated cash flows of financing liabilities consist of their undiscounted principal and interest payments.
- 3 The undiscounted sum of the cash flows of the derivative financial liabilities is shown for the respective year.
- 4 The cash outflows of trade payables are undiscounted.
- 5 The maximum available amounts are stated.
- 6 The maximum potential obligations under the issued financial guarantees are stated. It is assumed that the amounts are due within the first year.

**Liquidity runoff at 31 December 2024 for liabilities and financial guarantees¹**

	Total	2025	2026	2027	2028	2029	≥ 2030
In millions of euros							
Financing liabilities ²	122,698	41,840	31,019	20,596	6,449	6,284	16,510
thereof lease liabilities (undiscounted)	2,530	560	439	342	273	207	709
Derivative financial instruments ³	1,409	831	394	187	18	-15	-6
thereof with gross settlement	979	603	284	132	-5	-18	-17
Cash outflows	29,942	18,504	7,320	3,027	711	240	140
Cash inflows	-28,963	-17,901	-7,036	-2,895	-716	-258	-157
thereof with net settlement	430	228	110	55	23	3	11
Cash outflows	430	228	110	55	23	3	11
Trade payables ⁴	11,312	11,312	-	-	-	-	-
Miscellaneous other financial liabilities	4,322	3,495	220	193	141	150	123
Obligations from sales transactions	4,655	4,655	-	-	-	-	-
Irrevocable loan commitments ⁵	2,635	2,635	-	-	-	-	-
Financial guarantees ⁶	139	139	-	-	-	-	-
	147,170	64,907	31,633	20,976	6,608	6,419	16,627

1 The amounts were calculated as follows:

(a) If the counterparty can request payment at different dates, the liability is included on the basis of the earliest date on which the Mercedes-Benz Group can be required to pay. The customer deposits of Mercedes-Benz Bank are therefore mostly considered in this analysis to mature within the first year.

(b) The interest payments of floating-interest financial instruments are estimated on the basis of forward rates.

2 The stated cash flows of financing liabilities consist of their undiscounted principal and interest payments.

3 The undiscounted sum of the payments of the derivative financial liabilities is shown for the respective year.

4 The cash outflows of trade payables are undiscounted.

5 The maximum available amounts are stated.

6 The maximum potential obligations under the issued financial guarantees are stated. It is assumed that the amounts are due within the first year.



Market price risks

The global nature of its business activities exposes the Mercedes-Benz Group to significant market price risks resulting from fluctuations in foreign currency exchange rates and interest rates as well as commodity and energy prices.

The Group is also exposed to equity price risks in connection with its investments in listed companies.

The Mercedes-Benz Group manages market price risks to minimize the impact of fluctuations in foreign exchange rates, interest rates and commodity prices on the earnings of the Group and its segments. The Group calculates its overall net exposure to these market price risks to provide the basis for hedging decisions, which include the selection of hedging instruments and the determination of hedging volumes and the corresponding periods. The hedging strategy is specified at Group level and uniformly implemented in the segments. Decisions regarding, for example, currencies and asset-liability management (interest rates) are made by a committee that meets regularly. Net exposures are the basis for the hedging strategies and are updated regularly. The Mercedes-Benz Group usually counteracts the risk of short-term fluctuations in raw-material prices by means of price escalation clauses in the supply contracts. Derivative instruments are used to a small extent. Power purchase agreements are also concluded to reduce electricity price risks. Power

purchase agreements are purchase agreements for energy needs, including fixed purchase prices for the electricity generated by a specific plant for generating wind or solar power.

As part of its risk management system, the Mercedes-Benz Group employs value-at-risk analyses. When performing these analyses, the Mercedes-Benz Group quantifies its market risk due to changes in foreign currency exchange rates and interest rates on a regular basis by predicting the potential loss over a holding period and at a specific confidence level.

The value-at-risk calculations employed:

- express potential losses in relation to fair value changes and
- assume a 99% confidence level and a holding period of five days

At the Group level, the Mercedes-Benz Group calculates the value at risk for exchange rate and interest rate according to the variance-covariance approach.

When calculating value at risk using the variance-covariance approach, the Mercedes-Benz Group first computes the current market value of the Group's financial instruments portfolio. Then the sensitivity of the portfolio value to changes in the relevant market risk factors, such as particular foreign currency

exchange rates or interest rates of specific maturities, is quantified. Based on volatilities and correlations of these market risk factors, which are obtained from the RiskMetrics™ dataset, a statistical distribution of potential changes in the portfolio value at the end of the holding period is computed. The loss which is reached or exceeded with a probability of only 1% can be derived from this calculation and represents the value at risk.

Exchange-rate risk

Transaction risk and currency risk management

The global nature of the Mercedes-Benz Group's business activities exposes cash flows to risks arising from fluctuations in exchange rates. These risks primarily relate to fluctuations between the euro and the US dollar, the Chinese renminbi, the British pound and other currencies such as currencies of growth markets. In the operating vehicle business, the Group's exchange-rate risk primarily arises when revenue is generated in a currency that is different from the currency in which the costs of revenue are incurred (transaction risk). It may be inadequate to cover the costs if the value of the currency in which the revenue is generated decreased in the interim relative to the value of the currency in which the costs were incurred. The risk exposures serve as a basis for analysing exchange-rate risks at Group level. In addition, the Group is indirectly exposed to a transaction risk from its equity-method investments.



The Group's overall currency exposure is reduced by natural hedging, which consists of the foreign currency exposures of the business operations of different entities and segments partially offsetting each other at Group level. These natural hedges eliminate the need for hedging to the extent of the matched exposures. To provide an additional natural hedge against any remaining transaction risk exposure, the Mercedes-Benz Group generally strives to increase cash outflows in the same currencies in which the Group has a net excess inflow.

In order to mitigate the impact of currency exchange-rate fluctuations for the business operations (future transactions), the Mercedes-Benz Group continually assesses its exposure to exchange-rate risks and hedges a portion of those risks by using derivative financial instruments. A committee manages the Group's exchange-rate risk and its hedging transactions through currency derivatives. The committee consists of representatives of the relevant segments and corporate functions. Foreign currency exposures from the companies of the Group and the operational units are aggregated and the committee's decisions concerning foreign currency risks are implemented by means of transactions with international financial institutions. If changes in exposure lead to over-hedging, the hedges are usually eliminated by taking suitable measures without delay. In addition, the hedging relationships are reviewed for any necessary termination of hedge accounting.

The Mercedes-Benz Group's targeted hedge ratios for forecasted operating cash flows in foreign currencies are generally determined using a step-by-step method. Depending on the nature of the underlying risks, the hedging rates decrease the further the expected cash flows are in the future. On the one hand, the hedging horizon is naturally limited by uncertainty related to cash flows that lie far in the future; on the other hand, it may also be limited by the fact that appropriate currency contracts are not available. This step-by-step method aims to limit risks for the Group from unfavourable movements in exchange rates while preserving sufficient flexibility to participate in favourable developments. Based on this step-by-step method and depending on the market outlook, the committee determines the hedging horizon, which usually varies from one year to five years, as well as the average hedge ratios. At the end of 2025, the currency management for calendar year 2026 showed an unhedged position in the automotive business of 15% of the underlying forecasted cash flows in US dollars, an unhedged position of 54% of the underlying forecasted cash flows in British pounds and an unhedged position of 31% of the underlying forecasted cash flows in Chinese renminbi.

The foreign currency exposure risks of the vehicle business operations are primarily covered using forward foreign exchange contracts. Value at risk is used to measure the exchange-rate risk inherent in these derivative financial instruments.

The following table shows the period-end, high, low and average value-at-risk figures of the exchange-rate risks for the 2025 and 2024 portfolios of derivative financial instruments, which were entered into primarily in connection with the vehicle business operations and the trade receivables and payables existing at the end of quarter. Average exposure has been computed on an end-of-quarter basis. The other transactions underlying the derivative financial instruments are not included in the following value-at-risk presentation, since they comprise forecasted cash flows. See also the table "Nominal amounts of derivative financial instruments used in hedge accounting" in [Note 31](#).

**Hedge accounting**

When designating derivative financial instruments, a hedge ratio of 1 is applied. In addition, the respective volume and currency of the hedge and the underlying transaction as well as maturity dates are matched. The Group ensures an economic relationship between the underlying transaction and the hedging instrument by ensuring consistency of currency, volume and maturity.

Forward components are not designated into the hedging relationship, but deferred as hedge-costs on a profit-neutral basis. The forward components are recognized in the profit or loss at the due date of the underlying transaction or recognized as adjustment of acquisition cost of non-financial assets.

The effectiveness of the hedge is assessed at the start of and during the hedging relationship. Possible sources of ineffectiveness of the hedging relationship are:

- Changes in the credit risk on the measurement of the used hedging instruments.
- Changes in the timing of the hedged transactions.

Please refer to the table “Cash flow hedges and hedges of net investments in foreign operations” in [Note 31](#). There were no effects on earnings from the ineffectiveness of the hedging relationships in the years 2025 and 2024.

Value at risk for exchange-rate risk and interest rate risk

	2025				2024			
	Year-end	High	Low	Average	Year-end	High	Low	Average
In millions of euros								
Exchange-rate risk	160	531	160	306	405	405	235	331
Interest rate risk	47	144	47	88	138	166	138	152



The development of the value at risk from foreign currency hedging in 2025 was primarily shaped by a decrease in the volume of hedging transactions and volatilities.

The Group's investments in liquid assets or refinancing activities are generally selected so that possible currency risks are minimized. Transaction risks arising from liquid assets or payables in foreign currencies that result from the Group's investment or refinancing on money and capital markets are generally hedged against currency risks at the time of investing or refinancing in accordance with the Mercedes-Benz Group's internal policies. The Group uses appropriate derivative financial instruments (e.g. cross-currency interest rate swaps) to hedge against currency risk.

Because currency risks from liquidity investments or liabilities in foreign currencies are generally fully offset due to the Group's investment or refinancing and the derivative financial instruments used in this regard, these financial instruments were not included in the value-at-risk calculation presented.

Effects of currency (translation risk)

For purposes of the Mercedes-Benz Group's Consolidated Financial Statements, the income and expenses and the assets and liabilities of subsidiaries located outside the Eurozone are converted into euros. Therefore, period-to-period changes in exchange rates may cause translation effects that have a significant impact on, for example, revenue, segment profit/loss (EBIT) and assets and liabilities of the Group. Unlike exchange-rate transaction risk, currency translation risk does not necessarily affect future cash flows. The Group's equity position reflects changes in carrying amounts caused by exchange rates. In general, the Mercedes-Benz Group does not hedge against currency translation risk.

Interest rate risk

The Mercedes-Benz Group uses a variety of interest rate sensitive financial instruments to manage the liquidity needs of the Group. However, the majority of interest rate sensitive assets and liabilities results from the financial services business of Mercedes-Benz Financial Services. The Mercedes-Benz Financial Services companies enter into transactions with customers that primarily result in fixed-rate receivables. The Mercedes-Benz Group's general policy is to match the refinancing of interest-bearing assets in terms of maturities and interest rates wherever economically feasible.

In order to take advantage of market opportunities, Mercedes-Benz Financial Services does not match refinancing maturities and interest rates for a narrowly limited portion of the receivables portfolio in selected and developed markets. This results in the Mercedes-Benz Group being exposed to interest rate risks.

A committee consisting of representatives of the relevant segments and the corporate functions manages the interest rate risk by setting targets for the interest rate risk position. The Corporate Treasury department and the local Mercedes-Benz Group companies are jointly responsible for achieving these targets. As separate functions, both the Treasury Controlling and the Mercedes-Benz Financial Services Controlling departments monitor target achievement on a monthly basis. In order to achieve the targeted interest rate risk positions in terms of maturities and interest rate fixing periods, the Mercedes-Benz Group also uses derivative financial instruments such as interest rate swaps. The interest rate risk position is assessed by comparing assets and liabilities for corresponding maturities, including the impact of the relevant derivative financial instruments.



Derivative financial instruments are also used in conjunction with the refinancing related to the automotive segments and liquidity management. The Mercedes-Benz Group steers the funding activities of the automotive segments and the financial services business at Group level.

The table “Value at risk for exchange-rate risk and interest rate risk” shows the period-end, high, low and average value-at-risk figures of the interest rate risk for the 2025 and 2024 of interest rate sensitive primary financial instruments and derivative financial instruments of the Group, including the financial instruments of the financial services business. Liabilities from leasing contracts for which the Mercedes-Benz Group acts as a lessee are not included in the value at-risk of the interest rate risk. Average exposure has been computed on an end-of-quarter basis.

In the course of 2025, changes in the value at risk of interest rate sensitive financial instruments were primarily determined by the development of interest rate volatilities.

Hedge accounting

When designating derivative hedging instruments, the Mercedes-Benz Group generally applies a hedge ratio of 1. The respective volumes, interest curves, currencies and maturity dates of the underlying transaction and the hedging instrument are generally matched. In the case of combined derivative financial instruments for interest currency hedges, the cross-currency basis spread is not designated into the hedge relationship, but deferred as a hedging cost in other comprehensive income and recognized in profit or loss over the hedge term. The Group ensures an economic relationship between the underlying transaction and the hedging instrument by ensuring consistency of interest rates, payment dates, maturity terms and nominal amounts. In the case of hedging for ABS transactions of private placements, the risk of the market interest rate component is partly protected, which historically mainly covers the change in value of the total interest rate. The effectiveness of the hedge is assessed at the beginning and during the hedging relationship using the hypothetical derivative method. Possible sources of ineffectiveness of the hedging relationship are:

- effects of the credit risk on the fair value of the hedging instruments in use
- no perfect match for individual parameters of the underlying hedged transactions and the hedging instruments used

- premiums on hedging instruments for hedging ABS transactions

There were no effects on earnings in the years 2025 and 2024 from the ineffectiveness of the hedging relationships.

Commodity-price risk

The Mercedes-Benz Group is exposed to the risks of changes in market prices (e.g. for raw materials and energy) in connection with procuring manufacturing supplies used in production. The Mercedes-Benz Group usually counteracts the risk of short-term fluctuations in market prices by means of short and medium-term price escalation clauses or fixing of purchase prices in the supply contracts. For example, the Mercedes-Benz Group concludes power purchase agreements for wind and solar energy in order to protect itself from fluctuations in energy prices and ensure long-term, sustainable procurement of electricity. The Group expects payments of €672 million starting in 2027 for the entire term of the contracts for the purchase of electricity from power purchase agreements, which have a term of 4 to 15 years.

A small portion of the raw-material price risk relating to the forecasted procurement of lithium compounds for high-voltage batteries was hedged with the use of derivative financial instruments. These hedging transactions are not designated in a hedging relationship due to the small volume, and no value at risk is reported for commodity price risk.

**Derivative financial instruments
without hedge accounting**

In 2025, the nominal volumes of hedging instruments not designated in a hedging relationship amounted to €10 billion (2024: €10 billion) for derivatives used to hedge interest rate risks, €13 billion (2024: €13 billion) for derivatives used to hedge exchange-rate risks, as well as €4 million (2024: €650 million) for derivatives used to hedge raw material price risks.

Equity-price risk

The Mercedes-Benz Group predominantly holds investments in shares of companies which are classified as long-term investments, some of which are accounted for in the Consolidated Financial Statements using the equity method, such as the shares in Beijing Benz Automotive Co., Ltd. and Daimler Truck Holding AG. These investments are therefore not included in a market risk assessment by the Group.

33. Segment reporting**Reported segments**

The Group comprises the segments Mercedes-Benz Cars, Mercedes-Benz Vans and Mercedes-Benz Financial Services. The breakdown of the segments corresponds to the internal management and reporting structure.

The vehicle segments develop and manufacture high-end passenger cars and premium vans. In addition to the Mercedes-Benz brand, the brand portfolio of the Mercedes-Benz Cars segment encompasses the brands Mercedes-AMG and Mercedes-Maybach, as well as the G-Class product brand. At Mercedes-Benz Vans, the vans are sold under the Mercedes-Benz brand. Corresponding spare parts and accessories are also sold.

The Mercedes-Benz Financial Services segment supports the sales of the Mercedes-Benz Group's automotive brands worldwide. The product range primarily includes leasing and financing contracts for end customers and dealers, insurance services and flexible subscription and rental models as well as fleet management services for business customers. Furthermore, activities related to charging electric vehicles are consolidated at Mercedes-Benz Financial Services.

Reconciliation

The reconciliation mainly includes equity investments not allocated to the segments (e.g. Daimler Truck Holding AG) and items at the corporate level. In addition, the reconciliation includes the effects of eliminating intercompany transactions between the segments.

**Internal management and reporting structure**

The internal management and reporting structure at the Mercedes-Benz Group is principally based on the accounting policies according to IFRS that are described in [Note 1](#).

The measure of the Group's net profit or loss used by the Mercedes-Benz Group's management and reporting structure is referred to as EBIT. EBIT comprises gross profit, selling and general administrative expenses, research and non-capitalized development costs, other operating income/expense, and gains/losses on equity-method investments, as well as other financial income/expense. The return on sales is the measure of earnings used in internal management and reporting for the automotive segments and return on equity is the measure of earnings for the Mercedes-Benz Financial Services segment.

Intersegment revenue is principally recorded at prices that approximate market terms.

Some simplifications are made in the segment reporting with regard to accounting for leasing agreements in connection with intra-Group transactions.

The effects from the intra-Group refinancing of the financial services business are shown under the segment Mercedes-Benz Cars. This resulted in earnings of €445 million (2024: €398 million) in 2025.

Segment assets principally comprise all assets. The assets of the Mercedes-Benz Cars and Mercedes-Benz Vans segments exclude income tax assets, assets from pensions and similar obligations, and certain financial instruments (including liquidity).

Segment liabilities principally comprise all liabilities. The Mercedes-Benz Cars and Mercedes-Benz Vans segments' liabilities exclude liabilities arising from income taxes and pensions and similar obligations as well as certain financial instruments (including financing liabilities).

The residual-value risks associated with the Group's operating leases and receivables from financial services are generally borne by the segments which manufactured the leased vehicles. Risk sharing is based on agreements between Mercedes-Benz Cars, Mercedes-Benz Vans and Mercedes-Benz Financial Services; the terms vary by segment and geographic region.

Non-current assets consist of intangible assets, property, plant and equipment including right-of-use assets, and equipment on operating leases.

Depreciation on non-current assets largely includes scheduled depreciation. Depreciation of capitalized borrowing costs is not included.



Segment information

	Mercedes-Benz Cars		Mercedes-Benz Vans		Mercedes-Benz Financial Services		Total Segments		Reconciliation		Mercedes-Benz Group	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
In millions of euros												
External revenue	91,653	102,483	16,724	18,612	23,837	24,499	132,214	145,594	-	-	132,214	145,594
Intra-Group revenue	4,754	5,278	424	708	788	584	5,966	6,570	-5,966	-6,570	-	-
Total revenue	96,407	107,761	17,148	19,320	24,625	25,083	138,180	152,164	-5,966	-6,570	132,214	145,594
Cost of sales	-79,681	-86,191	-13,386	-14,669	-22,814	-22,754	-115,881	-123,614	6,000	6,596	-109,881	-117,018
Selling expenses	-7,719	-8,053	-1,509	-1,479	-572	-616	-9,800	-10,148	82	155	-9,718	-9,993
General administrative expenses	-1,385	-1,481	-229	-257	-729	-755	-2,343	-2,493	-134	-36	-2,477	-2,529
Research and non-capitalized development costs	-5,618	-5,187	-471	-433	-	-	-6,089	-5,620	34	40	-6,055	-5,580
Gains/losses on equity-method investments, net	715	398	52	56	25	-2	792	452	326	686	1,118	1,138
Other income/expense	845	1,213	-296	394	155	178	704	1,785	-85	202	619	1,987
Segment profit/loss (EBIT)	3,564	8,460	1,309	2,932	690	1,134	5,563	12,526	257	1,073	5,820	13,599
Segment assets	89,641	92,365	12,532	11,410	138,381	149,251	240,554	253,026	-6,461	-8,590	234,093	244,436
Carrying amounts of equity-method investments	2,860	3,287	260	292	307	325	3,427	3,904	6,610	8,882	10,037	12,786
Additions to non-current assets	15,427	15,338	3,612	2,353	16,241	15,982	35,280	33,673	-184	-282	35,096	33,391
Depreciation and amortization of non-current assets	7,864	7,770	929	690	6,279	6,278	15,072	14,738	49	-58	15,121	14,680
Segment liabilities	50,509	50,984	10,510	9,802	126,328	135,889	187,347	196,675	-11,401	-13,736	175,946	182,939



Reconciliation

Reconciliation of EBIT to Group figures

	2025	2024
In millions of euros		
Total of segment profit/loss (EBIT)	5,563	12,526
Gains/losses on equity-method investments, net	326	686
Other reconciling items	-195	197
Eliminations	126	190
EBIT as shown in the Consolidated Statement of Income	5,820	13,599

The **gains/losses on equity-method investments** includes the positive profit contribution of €353 million (2024: €711 million) from Daimler Truck Holding AG.

The line item **other reconciling items** includes further items at the corporate level. In 2025, it includes, in particular, expenses related to the workforce adjustment programme for employees in indirect areas launched in April. In the previous year, there was a positive effect on earnings of €223 million from the revaluation of the liabilities recognized in the context of the share buyback programmes.

Reconciliation of segment assets and liabilities to Group figures

	2025	2024
In millions of euros		
Total of segment assets	240,554	253,026
Equity-method investment in Daimler Truck Holding AG ¹	8,221	8,655
Other equity-method investments ²	173	227
Income tax assets ³	6,304	3,867
Other reconciling items and eliminations	-21,159	-21,339
Segment assets Group	234,093	244,436
Unallocated financial instruments (including liquidity) and assets from pensions and similar obligations ³	21,373	20,574
Total assets Group	255,466	265,010
Total of segment liabilities	187,347	196,675
Income tax liabilities ³	9,952	7,827
Other reconciling items and eliminations	-21,353	-21,563
Segment liabilities Group	175,946	182,939
Unallocated financial instruments and liabilities from pensions and similar obligations ³	-14,720	-11,559
Total equity Group	94,240	93,630
Total equity and liabilities Group	255,466	265,010

¹ This also includes the shares that were reclassified to the "Assets held for sale" item of the Consolidated Statement of Financial Position.

² This comprises the equity-method carrying amount of BAIC Motor.

³ Unless these are attributable to Mercedes-Benz Financial Services.

Revenue and non-current assets by region

With respect to information on geographical regions, revenue is allocated to countries based on the location of the customer. Non-current assets are generally presented according to the physical location of the company preparing accounts; this essentially corresponds to the location of the respective asset.

Revenue and non-current assets by region

	Revenue		Non-current assets	
	2025	2024	2025	2024
In millions of euros				
Europe	57,908	58,764	64,545	67,870
thereof Germany	20,943	21,707	49,139	47,534
North America	34,552	38,917	20,691	20,747
thereof United States	30,974	34,900	18,700	18,761
Asia	31,571	39,643	1,496	1,784
thereof China	16,519	23,139	405	523
Other markets	8,183	8,270	627	792
	132,214	145,594	87,359	91,193



34. Capital management

Net assets and value added represent the basis for capital management at the Mercedes-Benz Group. Although individual companies in the Mercedes-Benz Financial Services segment are subject to the capital requirements of the respective banking supervision, Mercedes-Benz Group AG is not subject to external minimum capital requirements.

The assets and liabilities of the segments in accordance with IFRS provide the basis for the determination of net assets at Group level. Mercedes-Benz Cars and Mercedes-Benz Vans are accountable for the net operating assets; all assets, liabilities and provisions for which they are responsible for in day-to-day operations are therefore allocated to them. Performance measurement at Mercedes-Benz Financial Services is on an equity basis, in line with the usual practice in the banking business. Net assets at Group level additionally include assets and liabilities from income taxes as well as other corporate items and eliminations.

Average annual net assets are calculated on the basis of average quarterly net assets. The average quarterly net assets are calculated as an average of the net assets at the beginning and the end of the quarter.

Average net assets		
	2025	2024
In millions of euros		
Mercedes-Benz Cars	39,404	41,905
Mercedes-Benz Vans	1,454	1,632
Mercedes-Benz Financial Services ¹	13,002	12,993
Net assets of the segments	53,860	56,530
Equity-method investment in Daimler Truck Holding AG ²	8,312	8,466
Other equity-method investments ³	182	230
Assets and liabilities from income taxes ⁴	-4,273	-4,717
Other corporate items and eliminations	246	-19
Net assets Mercedes-Benz Group	58,327	60,490

¹ Equity.

² This also includes the shares that were reclassified to the "Assets held for sale" item of the Consolidated Statement of Financial Position.

³ Unless allocated to the segments.

⁴ To the extent not allocated to Mercedes-Benz Financial Services.

The cost of capital of the Group's average net assets is reflected in value added. Value added shows the extent to which the Group achieves or exceeds the minimum return requirements of the shareholders, thus creating additional value. The required rate of return on net assets, and thus the cost of capital rate, is derived from the minimum rates of return that equity investors and lenders expect on their invested capital. In the reporting year, the cost of capital rate used for internal capital management amounted to 9.5% (2024: 9.5%) after taxes.

The objective of capital management is to increase value added, among other things by optimizing the cost of capital. This is achieved, for example, by optimizing the net assets, e.g. working capital, which is within the operational responsibility of the segments. Furthermore, taking into account legal regulations, the Mercedes-Benz Group strives to optimize the costs and risks of its capital structure, and consequently the cost of capital rate. An example of this is an appropriate level of liquidity, oriented towards the operational requirements.



35. Earnings per share

The calculation of basic and diluted earnings per share is based on net profit attributable to shareholders of Mercedes-Benz Group AG. The profit attributable to shareholders of Mercedes-Benz Group AG (basic and diluted) amounts to €5,141 million (2024: €10,207 million). The weighted average number of shares outstanding (basic and diluted) whose decrease is essentially due to the share buyback programmes completed in the year 2024, amounts to 962.4 million issued shares (2024: 1,002.0 million issued shares). As a result, earnings per share amounted to €5.34 in 2025 (2024: €10.19).

36. Related-party disclosures

Related parties (companies or persons) are deemed to be associated companies, joint ventures and unconsolidated subsidiaries as well as persons who exercise a significant influence on the financial and business policy of the Mercedes-Benz Group. The latter category includes all persons in key positions and their close family members.

At the Mercedes-Benz Group, those persons are the members of the Board of Management and of the Supervisory Board of Mercedes-Benz Group AG and their close family members.

Business transactions with related parties are generally carried out at market terms.

Transactions with related parties

	Income from sales of goods and services and other income		Expense from purchases of goods and services and other expense		Receivables and right-of-use assets ¹		Liabilities and provisions ²	
					31 December		31 December	
	2025	2024	2025	2024	2025	2024	2025	2024
In millions of euros								
Associated companies	11,991	16,022	1,929	2,067	2,875	3,749	387	432
thereof Daimler Truck	580	791	1,173	1,302	836	1,186	154	203
thereof BBAC	4,821	7,671	387	428	1,212	1,562	211	208
thereof LSHAI/LSHAH	6,564	7,533	342	326	768	946	17	13
Joint ventures	346	588	70	34	147	120	45	4
Companies controlled by related persons	-	1	527	450	-	-	180	56

¹ Including additions to intangible assets.

² Including liabilities from default risks from guarantees for related parties.



Associated companies

A large portion of the Group's transactions with associated companies relate to business relationships with the Daimler Truck Holding AG (Daimler Truck), Beijing Benz Automotive Co., Ltd. (BBAC), as well as the companies LSH Auto International Limited (LSHAI) and LSH Auto Holdings Limited (LSHAH).

LSH Auto International Limited (LSHAI) and LSH Auto Holdings Limited (LSHAH) are sales companies that also offer after-sales services and financial solutions. LSHAI is primarily focused on the distribution of Mercedes-Benz passenger cars in China, while LSH Auto Holdings Limited (LSHAH) operates in other international markets.

There are numerous relationships in the scope of ordinary business between the Mercedes-Benz Group and **Daimler Truck**, for example the purchase and sale of goods and services as well as leasing agreements. In addition, there is an interim provision of services by corporate functions that are included under other operating income.

In the Mercedes-Benz Financial Services segment, the leasing and sales-financing business for Daimler Truck's commercial vehicles will be continued in some markets. To this end, Mercedes-Benz Financial Services acquires these vehicles from Daimler Truck and leases them to the end customers. Insofar as a mandatory vehicle return to Daimler Truck has been agreed, a leasing contract (head lease) between Mercedes-Benz Financial Services and Daimler Truck is shown. The contract between Mercedes-Benz Financial Services and the end customer constitutes a sublease in this respect. The receivables and right-of-use assets shown in the table include demands for the repurchase of vehicles of €598 million (2024: €843 million) shown in receivables from financial services.

In addition, the Mercedes-Benz Group holds a minority interest of €242 million (2024: €220 million) in real estate companies controlled by Daimler Truck Group, which is shown as debt instruments in other financial assets.

In 2019, the assets and liabilities of Mercedes-Benz Group AG (formerly Daimler AG) were spun off into the legally independent units Mercedes-Benz AG and Daimler Truck AG. In this context, Mercedes-Benz Group AG, Mercedes-Benz AG and Daimler Truck AG, as legal entities involved in the spin-off, are jointly and severally liable for the liabilities of Mercedes-Benz Group AG that arose before the spin-off took effect, in accordance with Section 133 Subsections 1 and 3 of the German Transformation Act (UmwG). The provisions existing in this context, in particular the procedure for regulating the internal settlements between the participating legal entities, are regulated in the hive-down agreement of 25 March 2019. The period is ten years for pension obligations based on the Company Pensions Act that existed before the hive-down took effect. Mercedes-Benz Group AG and Mercedes-Benz AG do not expect any outflow of liquidity due to a sufficient volume of the special-purpose assets being available to the other legal entity. All other liability claims arising from subsequent liability expired in the previous year.



Joint ventures

On 12 May 2022, Mercedes-Benz AG signed an agreement with Stellantis Auto S.A.S. (formerly PSA Automobiles SA), Opel Automobile GmbH, Saft EV SAS and Saft Groupe SAS to acquire a 33.33% stake in **Automotive Cells Company SE (ACC)** through a capital contribution of approximately €390 million. Due to several disproportionate increases in the shareholding in the years 2024 and 2025, the shareholding in ACC as of 31 December 2025 is 31.45%.

The Group committed to providing further funds. As of 31 December 2025, €134 million (2024: €545 million) had not been drawn down. As of 31 December 2025, there were also off-balance-sheet obligations of €486 million (2024: €256 million). The decrease in total obligations to €620 million (2024: €801 million) is due to the call of funding commitments by ACC, contract adjustments and changes in guarantee commitments.

Mercedes-Benz AG and Zhejiang Geely Holding Group Co., Ltd. have signed agreements in favour of **SMART MOBILITY PTE. LTD. (smart)**. These agreements oblige the shareholders to provide financial support up to a maximum amount of €600 million each in the event that smart is not able to perform its payment obligations under syndicated loan agreements. smart is allocated to the Mercedes-Benz Cars segment.

[Note 13](#) provides further details of the business activities of the significant associated companies and joint ventures.

Related persons

Throughout the world, the Group has business relationships with numerous entities that are customers and/or suppliers of the Group. Those customers and/or suppliers include companies that have a connection with some of the members of the Board of Management or of the Supervisory Board and close family members of those board members of Mercedes-Benz Group AG or of its subsidiaries. Board of Management and Supervisory Board members and close family members of those board members may also purchase goods and services from Mercedes-Benz Group AG or its subsidiaries as customers.

Mr Stefan Pierer has been a member of the Supervisory Board of Mercedes-Benz Group AG and Mercedes-Benz AG since May 2023. The Mercedes-Benz Group maintains supply and service relationships with some companies in the Pierer Group. The Pierer Group includes Leoni AG and the SHW Group, two international automotive suppliers, as well as other companies.

The table “Transactions with related parties” shows information on the volume of goods and services supplied by these companies in the line “Companies controlled by related persons”. In September 2024, a contract for the sale of 50.1% of the shares in Leoni AG was signed. Even after the completion of the contract on 10 July 2025, Leoni AG remains a related party of the Mercedes-Benz Group.

Contributions to plan assets

Mercedes-Benz Pension Trust e.V. manages the plan assets on a fiduciary basis to cover pension obligations in Germany and is therefore a related party of the Mercedes-Benz Group. Another related party is Mercedes-Benz Pensionsfonds AG. Mercedes-Benz Group AG bears non-significant expenses and provides services for both companies. See also [Note 22](#) for further information.



37. Remuneration of the members of the Board of Management and the Supervisory Board

Remuneration of the members of the Board of Management of Mercedes-Benz Group AG

The table below shows the remuneration granted during 2025 to the members of the Board of Management who were active in 2025. The figures were recorded in accordance with IFRS.

Remuneration of the members of the Board of Management		
	2025	2024
In millions of euros		
Fixed remuneration	11	11
Variable remuneration		
Short-term variable remuneration ¹	8	12
Long-term variable remuneration (PPSP)	18	12
Benefits due to termination of employment	2	-
Post-employment benefits (service cost)	3	3
	42	38

¹ The short-term variable remuneration is paid in March of the following year.

Expenses for long-term variable remuneration of the Board of Management, as shown in the table, result from the ongoing measurement at fair value at each balance sheet date of all rights granted and not yet due under the stock-based Performance Phantom Share

Plans (PPSP), i.e., for the plans of the years 2022 to 2025. In 2025, the active members of the Board of Management were granted 270,654 (2024: 198,702) phantom shares in connection with the PPSP; the fair value of these phantom shares at the grant date was €17 million (2024: €13 million). See [Note 21](#) for additional information on share-based payment of the members of the Board of Management.

Payments made in 2025 to former members of the Board of Management and their survivors amounted to a total of €22 million (2024: €22 million).

As of 31 December 2025, provisions of €18 million (2024: €26 million) had been made for pension obligations to active members of the Board of Management at the date of publication. The pension obligations for former members of the Board of Management and their survivors amounted to €240 million as of 31 December 2025 (2024: €246 million).

In accordance with Section 314 Subsection 1 No. 6a of the German Commercial Code (HGB), the overall remuneration granted to the members of the Board of Management (excluding service cost resulting from entitlements to post-employment benefits) amounted to €36 million (2024: €36 million), including the stock-based remuneration with a fair value of €17 million (2024: €13 million).

The members of the Board of Management do not receive any remuneration for their board activities on the boards of the subsidiaries. These activities are

remunerated with the remuneration at Mercedes-Benz Group AG.

No advances or loans were granted or waived to members of the Board of Management in 2025.

Remuneration of the members of the Supervisory Board of Mercedes-Benz Group AG

The members of the Supervisory Board are solely granted short-term fixed remuneration for their board and committee activities. This remuneration amounted to €6 million (2024: €6 million); the amount the members receive depends on their respective function in the Supervisory Board.

With the exception of the remuneration paid to the members of the Supervisory Board representing the employees in accordance with their contracts of employment, no remuneration was paid to the members of the Supervisory Board for services provided personally beyond their board and committee activities in 2025, in particular for advisory or agency services. In addition, advances or loans were neither granted nor waived to members of the Supervisory Board.

Individualized information on the remuneration of the members of the Board of Management and of the Supervisory Board is disclosed in the Remuneration Report. This is available online at group.mercedes-benz.com/company/corporate-governance/board-of-management/remuneration.



38. Auditor fees

At the Annual General Meeting on 7 May 2025, the shareholders of Mercedes-Benz Group AG elected PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft as auditor and Group auditor. The following table shows the fees recorded as expenses for the 2025 financial year for PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC GmbH) and the companies of the global PwC network (PwC worldwide) for services provided to Mercedes-Benz Group AG, the consolidated subsidiaries and the proportionately consolidated joint operations.

The fees for **audit services** comprise in particular fees for the statutory audit of the Annual and Consolidated Financial Statements and the subsidiaries included in the Consolidated Financial Statements, fees for the reviews of the Interim Financial Statements and fees for additional audit services.

The fees shown under **other attestation services** relate in particular to reviews of information systems, processes and sustainability reporting as well as the issuance of comfort letters.

Other services mainly include professional services in connection with strategic projects.

	Auditor fees			
	2025		2024	
In millions of euros				
	PwC worldwide	thereof PwC GmbH	PwC worldwide	thereof PwC GmbH
Audit services	36	21	34	19
Other attestation services	4	3	2	2
Other services	2	1	3	2
	42	25	39	23

39. Events after the reporting period

Review of future structure of Own Retail in Germany

As described in the Note [“Consolidated Group”](#), contracts for the sale of the Own Retail operations in Dortmund and Lübeck were concluded in 2025 as part of the review of the future structure of Own Retail. The disposals of the two Own Retail operations were completed during the period of said review. This resulted in income of €0.1 billion and a cash inflow of €0.1 billion. The corresponding assets and liabilities were classified and measured as assets and liabilities held for sale as of 31 December 2025.

Furthermore, transactions related to the sale of three additional Own Retail operations were approved in February 2026. This resulted in other operating expenses of €0.1 billion, primarily relating to employee compensation payments. Furthermore, assets and liabilities of €0.1 billion will be classified and measured as assets and liabilities held for sale. Upon completion of these transactions, other operating income and cash inflows, each in the low three-digit million range, are expected in 2026.



Supreme Court of the United States decision on tariffs

On 20 February 2026, the Supreme Court of the United States ruled that the additional tariffs imposed in 2025 under the “International Emergency Economic Powers Act” (IEEPA) were unlawful. The ruling has no impacts on the present Consolidated Financial Statements. The Mercedes-Benz Group does not currently anticipate any significant financial impact for the year 2026 from this judgement.

40. German Corporate Governance Code

The Board of Management and the Supervisory Board of Mercedes-Benz Group AG have issued a declaration pursuant to Section 161 of the German Stock Corporation Act (AktG) and have made it permanently available to their shareholders on the Group’s website at group.mercedes-benz.com/dcg.

41. Information on investments

The statement of investments of the Group pursuant to Section 313 Subsection 2 Nos. 1–6 of the German Commercial Code (HGB) is presented in the following table. In general, cooperations without an equity interest are not reported. Information on equity and earnings and information on investments pursuant to Section 313 Subsection 2 No. 4 HGB is omitted insofar as, pursuant to Section 313 Subsection 3 Sentence 4 of the HGB, such information is of minor relevance for a fair presentation of the profitability, cash flows, liquidity and capital resources, and financial position of the Group. In addition, the statement of investments indicates which consolidated companies make use of the exemption pursuant to Section 264 Subsection 3 of the HGB and/or Section 264b of the HGB. The Consolidated Financial Statements of Mercedes-Benz Group AG release those subsidiaries from the requirements that would otherwise apply.



Name of the company	Domicile, country/region	Equity interest in percent ¹	Footnote
I. Consolidated subsidiaries			
Accumotive GmbH & Co. KG	Kamenz, Germany	100.00	5
Alpha 1 Mercedes-Benz Grundstücksverwaltung GmbH	Schönefeld, Germany	100.00	5
Alpha 2 Mercedes-Benz Grundstücksverwaltung GmbH & Co. OHG	Schönefeld, Germany	100.00	5, 7
Alpha 3 Mercedes-Benz Grundstücksverwaltung GmbH & Co. OHG	Schönefeld, Germany	100.00	5, 7
Alpha 4 Mercedes-Benz Grundstücksverwaltung GmbH & Co. OHG	Schönefeld, Germany	100.00	5, 7
Alpha 5 Mercedes-Benz Grundstücksverwaltung GmbH & Co. OHG	Schönefeld, Germany	100.00	5, 7
Alpha 6 Mercedes-Benz Grundstücksverwaltung GmbH & Co. OHG	Schönefeld, Germany	100.00	5, 7
Alpha 7 Mercedes-Benz Grundstücksverwaltung GmbH & Co. OHG	Schönefeld, Germany	100.00	5, 7
Athlon Car Lease Belgium N.V.	Machelen, Belgium	100.00	
Athlon Car Lease International B.V.	Schiphol, Netherlands	100.00	
Athlon Car Lease Italy S.R.L.	Rome, Italy	100.00	
Athlon Car Lease Nederland B.V.	Schiphol, Netherlands	100.00	
Athlon Car Lease Polska Sp. z o.o.	Warsaw, Poland	100.00	
Athlon Car Lease Portugal, Ida	Sintra, Portugal	100.00	
Athlon Car Lease Rental Services Belgium N.V.	Machelen, Belgium	100.00	
Athlon Car Lease S.A.S.	Le Bourget, France	100.00	
Athlon Car Lease Spain, S.A.	Alcobendas, Spain	100.00	
Athlon France S.A.S.	Le Bourget, France	100.00	
Athlon Germany GmbH	Düsseldorf, Germany	100.00	
Athlon Mobility Consultancy N.V.	Machelen, Belgium	100.00	
Athlon Mobility Services UK Limited	Milton Keynes, United Kingdom	100.00	
Athlon Rental Germany GmbH	Düsseldorf, Germany	100.00	
CARS Technik & Logistik GmbH	Wiedemar, Germany	100.00	5
Daimler Fleet Management South Africa (Pty.) Ltd. i. L.	Pretoria, South Africa	65.00	4
Daimler Vans USA, LLC	Wilmington, USA	100.00	
Delta Mercedes-Benz Grundstücksverwaltung GmbH & Co. OHG	Schönefeld, Germany	100.00	5, 7
EHG Elektroholding GmbH	Stuttgart, Germany	100.00	5
Epsilon Mercedes-Benz Grundstücksverwaltung GmbH & Co. OHG	Schönefeld, Germany	100.00	5, 7
Friesland Lease B.V.	Drachten, Netherlands	51.11	
Interleasing Luxembourg S.A.	Windhof, Luxembourg	100.00	
Koppievew Property (Pty) Ltd	Pretoria, South Africa	100.00	
LBBW AM – Daimler Re Insurance	Luxembourg, Luxembourg	0.00	3
LBBW AM – MBVEXW	Stuttgart, Germany	0.00	3



Name of the company	Domicile, country/region	Equity interest in percent ¹	Footnote
MBarc Credit Canada Inc.	Mississauga, Canada	100.00	
MBition GmbH	Berlin, Germany	100.00	5
MDC Power GmbH	Kölleda, Germany	100.00	5
Mercedes AMG High Performance Powertrains Ltd	Brixworth, United Kingdom	100.00	
Mercedes pay GmbH	Stuttgart, Germany	100.00	5
Mercedes-AMG GmbH	Affalterbach, Germany	100.00	5
Mercedes-Benz (Beijing) Parts Trading and Services Co., Ltd.	Beijing, China	100.00	
Mercedes-Benz (China) Ltd.	Beijing, China	75.00	
Mercedes-Benz (Thailand) Limited	Bangkok, Thailand	100.00	
Mercedes-Benz - Aluguer de Veículos, Lda.	Mem Martins, Portugal	100.00	
Mercedes-Benz AG	Stuttgart, Germany	100.00	5
Mercedes-Benz Asia GmbH	Stuttgart, Germany	100.00	5
Mercedes-Benz Assuradeuren B.V.	Utrecht, Netherlands	100.00	
Mercedes-Benz Australia/Pacific Pty Ltd	Melbourne, Australia	100.00	
Mercedes-Benz Auto Finance Ltd.	Beijing, China	100.00	
Mercedes-Benz Auto Lease Trust 2024-A	Wilmington, USA	0.00	3
Mercedes-Benz Auto Lease Trust 2024-B	Wilmington, USA	0.00	3
Mercedes-Benz Auto Lease Trust 2025-A	Wilmington, USA	0.00	3
Mercedes-Benz Auto Lease Trust 2025-B	Wilmington, USA	0.00	3
Mercedes-Benz Auto Receivables Trust 2021-1	Farmington Hills, USA	0.00	3
Mercedes-Benz Auto Receivables Trust 2022-1	Farmington Hills, USA	0.00	3
Mercedes-Benz Auto Receivables Trust 2023-1	Farmington Hills, USA	0.00	3
Mercedes-Benz Auto Receivables Trust 2023-2	Farmington Hills, USA	0.00	3
Mercedes-Benz Auto Receivables Trust 2024-1	Farmington Hills, USA	0.00	3
Mercedes-Benz Auto Receivables Trust 2025-1	Farmington Hills, USA	0.00	3
Mercedes-Benz Auto Receivables Trust 2025-A	Farmington Hills, USA	0.00	3
Mercedes-Benz Automotive Mobility GmbH	Berlin, Germany	100.00	5
Mercedes-Benz Bank AG	Stuttgart, Germany	100.00	
Mercedes-Benz Bank Service Center GmbH	Berlin, Germany	100.00	5
Mercedes-Benz Banking Service GmbH	Saarbrücken, Germany	100.00	5
Mercedes-Benz Belgium Luxembourg S.A.	Brussels, Belgium	100.00	
Mercedes-Benz Beteiligungsgesellschaft mbH	Stuttgart, Germany	100.00	5
Mercedes-Benz Brooklands Limited	Milton Keynes, United Kingdom	100.00	
Mercedes-Benz Canada Inc.	Mississauga, Canada	100.00	



Notes to the Consolidated Financial Statements

Name of the company	Domicile, country/region	Equity interest in percent ¹	Footnote
Mercedes-Benz Capital Investments B.V.	Utrecht, Netherlands	100.00	
Mercedes-Benz Cars & Vans Brasil Ltda.	São Paulo, Brazil	100.00	
Mercedes-Benz Česká republika s.r.o.	Prague, Czech Republic	100.00	
Mercedes-Benz Connectivity Services GmbH	Stuttgart, Germany	100.00	5
Mercedes-Benz Corporate Investments, LLC	Wilmington, USA	100.00	
Mercedes-Benz Credit Pénzügyi Szolgáltató Hungary Zrt.	Budapest, Hungary	100.00	
Mercedes-Benz Customer Assistance Center Maastricht N.V.	Maastricht, Netherlands	100.00	
Mercedes-Benz Customer Solutions GmbH	Stuttgart, Germany	100.00	5
Mercedes-Benz Danmark A/S	Copenhagen, Denmark	100.00	
Mercedes-Benz Digital Tech Ltd.	Shanghai, China	100.00	
Mercedes-Benz Espana, S.A.U.	Alcobendas, Spain	100.00	
Mercedes-Benz ExTra LLC	Wilmington, USA	100.00	
Mercedes-Benz Finance Canada Inc.	Montreal, Canada	100.00	
Mercedes-Benz Finance Co., Ltd.	Chiba, Japan	95.11	
Mercedes-Benz Finance North America LLC	Wilmington, USA	100.00	
Mercedes-Benz Financial Services Australia Pty. Ltd.	Melbourne, Australia	100.00	
Mercedes-Benz Financial Services Austria GmbH	Eugendorf, Austria	100.00	
Mercedes-Benz Financial Services BeLux NV	Brussels, Belgium	100.00	
Mercedes-Benz Financial Services Canada Corporation	Mississauga, Canada	100.00	
Mercedes-Benz Financial Services Česká republika s.r.o.	Prague, Czech Republic	100.00	
Mercedes-Benz Financial Services España, E.F.C., S.A.	Alcobendas, Spain	100.00	
Mercedes-Benz Financial Services France S.A.	Montigny-le-Bretonneux, France	100.00	
Mercedes-Benz Financial Services Hong Kong Ltd.	Hong Kong, China	80.00	
Mercedes-Benz Financial Services India Private Limited	Chennai, India	100.00	
Mercedes-Benz Financial Services Investment Company LLC	Wilmington, USA	100.00	
Mercedes-Benz Financial Services Italia S.p.A.	Rome, Italy	100.00	
Mercedes-Benz Financial Services Korea Ltd.	Seoul, South Korea	80.00	
Mercedes-Benz Financial Services Nederland B.V.	Utrecht, Netherlands	100.00	
Mercedes-Benz Financial Services New Zealand Ltd	Auckland, New Zealand	100.00	
Mercedes-Benz Financial Services Portugal - Sociedade Financeira de Crédito S.A.	Mem Martins, Portugal	100.00	
Mercedes-Benz Financial Services Schweiz AG	Schlieren, Switzerland	100.00	
Mercedes-Benz Financial Services Singapore Ltd.	Singapore, Singapore	100.00	
Mercedes-Benz Financial Services Slovakia s.r.o.	Bratislava, Slovakia	75.00	
Mercedes-Benz Financial Services South Africa (Pty) Ltd	Pretoria, South Africa	100.00	



Notes to the Consolidated Financial Statements

Name of the company	Domicile, country/region	Equity interest in percent ¹	Footnote
Mercedes-Benz Financial Services Sp. z o.o.	Warsaw, Poland	100.00	
Mercedes-Benz Financial Services Taiwan Ltd.	Taipei, Taiwan, China	51.00	
Mercedes-Benz Financial Services UK Limited	Milton Keynes, United Kingdom	100.00	
Mercedes-Benz Financial Services USA LLC	Wilmington, USA	100.00	
Mercedes-Benz Finans Danmark A/S	Copenhagen, Denmark	100.00	
Mercedes-Benz Finans Sverige AB	Malmö, Sweden	100.00	
Mercedes-Benz Finansman Türk A.S.	Istanbul, Turkey	100.00	
Mercedes-Benz Fleet Management Singapore Pte. Ltd.	Singapore, Singapore	100.00	
Mercedes-Benz France S.A.S.	Montigny-le-Bretonneux, France	100.00	
Mercedes-Benz Group Australia/Pacific Pty Ltd	Melbourne, Australia	100.00	
Mercedes-Benz Group China Ltd.	Beijing, China	100.00	
Mercedes-Benz Group Services Berlin GmbH	Berlin, Germany	100.00	5
Mercedes-Benz Group Services Madrid, S.A.U.	San Sebastián de los Reyes, Spain	100.00	
Mercedes-Benz Group Services Phils., Inc.	Cebu City, Philippines	100.00	
Mercedes-Benz Grund Services GmbH	Schönefeld, Germany	100.00	5
Mercedes-Benz High Power Charging Europe GmbH	Stuttgart, Germany	100.00	5
Mercedes-Benz High Power Charging Japan G.K.	Chiba, Japan	100.00	
Mercedes-Benz High Power Charging Korea Ltd.	Seoul, South Korea	100.00	
Mercedes-Benz High Power Charging Overseas GmbH	Stuttgart, Germany	100.00	5
Mercedes-Benz Holdings UK Limited	Milton Keynes, United Kingdom	100.00	
Mercedes-Benz Hong Kong Limited	Hong Kong, China	100.00	
Mercedes-Benz HPC North America LLC	Wilmington, USA	80.00	
Mercedes-Benz India Private Limited	Pune, India	100.00	
Mercedes-Benz Insurance Agency LLC	Wilmington, USA	100.00	
Mercedes-Benz Insurance Broker S.R.L.	Voluntari, Romania	100.00	
Mercedes-Benz Insurance Services GmbH	Stuttgart, Germany	100.00	5
Mercedes-Benz Insurance Services Nederland B.V.	Utrecht, Netherlands	100.00	
Mercedes-Benz Insurance Services Taiwan Ltd.	Taipei, Taiwan, China	100.00	
Mercedes-Benz Insurance Services UK Limited	Milton Keynes, United Kingdom	100.00	
Mercedes-Benz Intellectual Property GmbH & Co. KG	Stuttgart, Germany	100.00	5
Mercedes-Benz International Finance B.V.	Utrecht, Netherlands	100.00	
Mercedes-Benz Italia S.p.A.	Rome, Italy	100.00	
Mercedes-Benz Japan G.K.	Chiba, Japan	100.00	
Mercedes-Benz Korea Limited	Seoul, South Korea	51.00	



Name of the company	Domicile, country/region	Equity interest in percent ¹	Footnote
Mercedes-Benz Lease Italia S.r.l.	Rome, Italy	100.00	
Mercedes-Benz Leasing Co., Ltd.	Beijing, China	65.00	
Mercedes-Benz Leasing Deutschland GmbH	Stuttgart, Germany	100.00	
Mercedes-Benz Leasing GmbH	Stuttgart, Germany	100.00	
Mercedes-Benz Leasing IFN S.A.	Bucharest, Romania	100.00	
Mercedes-Benz Leasing Kft.	Budapest, Hungary	100.00	
Mercedes-Benz Leasing Polska Sp. z o.o.	Warsaw, Poland	100.00	
Mercedes-Benz Leasing Treuhand GmbH	Stuttgart, Germany	100.00	5
Mercedes-Benz LT GmbH	Böblingen, Germany	100.00	5
Mercedes-Benz Ludwigsfelde Anlagenverwaltung GmbH & Co. OHG	Schönefeld, Germany	100.00	5, 7
Mercedes-Benz Ludwigsfelde GmbH	Ludwigsfelde, Germany	100.00	5
Mercedes-Benz Malaysia Sdn. Bhd.	Puchong, Malaysia	100.00	
Mercedes-Benz Manhattan, Inc.	Wilmington, USA	100.00	
Mercedes-Benz Manufacturing (Thailand) Limited	Bangkok, Thailand	100.00	
Mercedes-Benz Manufacturing Hungary Kft.	Kecskemét, Hungary	100.00	
Mercedes-Benz Manufacturing Poland sp. z o.o.	Jawor, Poland	100.00	
Mercedes-Benz Master Owner Trust	Wilmington, USA	0.00	3
Mercedes-Benz México International, S. de R.L. de C.V.	Mexico City, Mexico	100.00	
Mercedes-Benz México, S. de R.L. de C.V.	Mexico City, Mexico	100.00	
Mercedes-Benz Mitarbeiter-Fahrzeuge Leasing GmbH	Stuttgart, Germany	100.00	5
Mercedes-Benz Mobility & Technology Service (Beijing) Co., Ltd.	Beijing, China	100.00	
Mercedes-Benz Mobility (Thailand) Co., Ltd.	Bangkok, Thailand	100.00	
MERCEDES-BENZ MOBILITY AUSTRALIA PTY LTD	Melbourne, Australia	100.00	
Mercedes-Benz Mobility Beteiligungsgesellschaft mbH	Stuttgart, Germany	100.00	5
Mercedes-Benz Mobility Korea Ltd.	Seoul, South Korea	100.00	
MERCEDES-BENZ MOBILITY MEXICO, S. DE R.L. DE C.V.	Mexico City, Mexico	100.00	
Mercedes-Benz Mobility Services GmbH	Stuttgart, Germany	100.00	5
Mercedes-Benz Nederland B.V.	Utrecht, Netherlands	100.00	
Mercedes-Benz Nederland Holding B.V.	Utrecht, Netherlands	100.00	
Mercedes-Benz New Zealand Ltd	Auckland, New Zealand	100.00	
Mercedes-Benz North America Corporation	Wilmington, USA	100.00	
Mercedes-Benz North America Finance LLC	Newark, USA	100.00	
Mercedes-Benz Österreich GmbH	Eugendorf, Austria	100.00	
Mercedes-Benz Otomotiv Ticaret ve Hizmetler A.S.	Istanbul, Turkey	66.91	



Name of the company	Domicile, country/region	Equity interest in percent ¹	Footnote
Mercedes-Benz Parts Brand GmbH	Stuttgart, Germany	100.00	5
Mercedes-Benz Parts Logistics Asia Pacific Sdn. Bhd.	Puchong, Malaysia	100.00	
Mercedes-Benz Parts Logistics Ibérica, S.L.U.	Azuqueca de Henares, Spain	100.00	
Mercedes-Benz Parts Logistics UK Limited	Milton Keynes, United Kingdom	100.00	
Mercedes-Benz Parts Manufacturing & Services Ltd.	Shanghai, China	100.00	
Mercedes-Benz Polska Sp. z o.o.	Warsaw, Poland	100.00	
Mercedes-Benz Portugal, S.A.	Sintra, Portugal	100.00	
Mercedes-Benz Real Estate GmbH	Berlin, Germany	100.00	5
Mercedes-Benz Reinsurance S.A. Luxembourg	Luxembourg, Luxembourg	100.00	
Mercedes-Benz Renting, S.A.	Alcobendas, Spain	100.00	
Mercedes-Benz Research & Development North America, Inc.	Wilmington, USA	100.00	
Mercedes-Benz Research and Development India Private Limited	Bangalore, India	100.00	
Mercedes-Benz Retail Group UK Limited	Milton Keynes, United Kingdom	100.00	
Mercedes-Benz Retail Receivables LLC	Farmington Hills, USA	100.00	
Mercedes-Benz Romania S.R.L.	Voluntari, Romania	100.00	
Mercedes-Benz Schweiz AG	Schlieren, Switzerland	100.00	
Mercedes-Benz Service Leasing S.R.L.	Bucharest, Romania	100.00	
Mercedes-Benz Services Correduría de Seguros, S.A.	Alcobendas, Spain	100.00	
Mercedes-Benz Services Malaysia Sdn Bhd	Selangor, Malaysia	100.00	
Mercedes-Benz Sigorta Aracilik Hizmetleri A.S.	Istanbul, Turkey	100.00	
Mercedes-Benz Singapore Pte. Ltd.	Singapore, Singapore	100.00	
Mercedes-Benz South Africa Ltd	Pretoria, South Africa	100.00	
Mercedes-Benz Sverige AB	Malmö, Sweden	100.00	
Mercedes-Benz Taiwan Ltd.	Taipei, Taiwan, China	51.00	
Mercedes-Benz Tech Innovation GmbH	Ulm, Germany	100.00	5
Mercedes-Benz Trust Holdings LLC	Farmington Hills, USA	100.00	
Mercedes-Benz Trust Leasing Conduit LLC	Wilmington, USA	100.00	
Mercedes-Benz Trust Leasing LLC	Farmington Hills, USA	100.00	
Mercedes-Benz U.S. International, Inc.	Vance, USA	100.00	
Mercedes-Benz Ubezpieczenia Sp. z o.o.	Warsaw, Poland	100.00	
Mercedes-Benz UK Limited	Milton Keynes, United Kingdom	100.00	
Mercedes-Benz USA, LLC	Wilmington, USA	100.00	
Mercedes-Benz Vans Hong Kong Limited	Hong Kong, China	67.55	
Mercedes-Benz Vans UK Limited	Milton Keynes, United Kingdom	100.00	



Name of the company	Domicile, country/region	Equity interest in percent ¹	Footnote
Mercedes-Benz Vans, LLC	Wilmington, USA	100.00	
Mercedes-Benz Versicherung AG	Stuttgart, Germany	100.00	
Mercedes-Benz Versicherungsservice GmbH	Berlin, Germany	100.00	5
Mercedes-Benz Verwaltungsgesellschaft für Grundbesitz mbH	Schönefeld, Germany	100.00	5
Mercedes-Benz Vietnam Ltd.	Ho Chi Minh City, Vietnam	70.00	
Mercedes-Benz Wholesale Receivables LLC	Wilmington, USA	100.00	
MN8 Charging LLC	Wilmington, USA	20.00	3
Movinx Americas Company, Inc.	Dover, USA	100.00	
Movinx GmbH	Berlin, Germany	100.00	
Multifleet G.I.E.	Le Bourget, France	50.10	7
Silver Arrow Athlon NL 2021-1	Utrecht, Netherlands	0.00	3
Silver Arrow Australia Trust 2019-1	Melbourne, Australia	0.00	3
Silver Arrow Australia Trust 2024-1	Melbourne, Australia	0.00	3
Silver Arrow Canada GP Inc.	Mississauga, Canada	100.00	
Silver Arrow Canada LP	Mississauga, Canada	100.00	7
SILVER ARROW CHINA 2023-1 RETAIL AUTO LOAN ASSET BACKED NOTES TRUST	Beijing, China	0.00	3
SILVER ARROW CHINA 2023-2 RETAIL AUTO LOAN ASSET BACKED NOTES TRUST	Beijing, China	0.00	3
SILVER ARROW CHINA 2024-1 RETAIL AUTO LOAN ASSET BACKED NOTES TRUST	Beijing, China	0.00	3
SILVER ARROW CHINA 2024-2 RETAIL AUTO LOAN GREEN ASSET BACKED NOTES TRUST	Beijing, China	0.00	3
SILVER ARROW CHINA 2024-3 RETAIL AUTO LOAN ASSET BACKED NOTES TRUST	Beijing, China	0.00	3
SILVER ARROW CHINA 2025-1 RETAIL AUTO LOAN ASSET BACKED NOTES TRUST	Beijing, China	0.00	3
Silver Arrow Japan 2024-1	Tokyo, Japan	0.00	3
Silver Arrow Japan 2025-1	Tokyo, Japan	0.00	3
Silver Arrow Japan 2025-2	Tokyo, Japan	0.00	3
Silver Arrow Lease Facility Trust	Wilmington, USA	0.00	3
Silver Arrow Merfina 2024-1	Rome, Italy	0.00	3
Silver Arrow S.A.	Luxembourg, Luxembourg	0.00	3
Star Assembly SRL	Sebeș, Romania	100.00	
Ucafleet S.A.S.	Le Bourget, France	65.00	
Vierzehnte Vermögensverwaltungsgesellschaft DVB mbH	Stuttgart, Germany	100.00	5
Wagenplan B.V.	Almere, Netherlands	60.00	
YASA Limited	Kidlington, United Kingdom	100.00	



Name of the company	Domicile, country/region	Equity interest in percent ¹	Footnote
II. Unconsolidated subsidiaries			
Accumotive Verwaltungs-GmbH	Kamenz, Germany	100.00	
AEG Olympia Office GmbH	Stuttgart, Germany	100.00	
Affalterbach Racing GmbH	Affalterbach, Germany	100.00	
Alpha 2024 Mercedes-Benz Grundstücksverwaltung GmbH	Schönefeld, Germany	100.00	
Anota Fahrzeug Service- und Vertriebsgesellschaft mbH	Berlin, Germany	100.00	
Cúspide GmbH	Stuttgart, Germany	100.00	
Lapland Car Test Aktiebolag	Arvidsjaur, Sweden	100.00	
LEONIE DMS DVB GmbH	Stuttgart, Germany	100.00	
Li-Tec Battery GmbH	Kamenz, Germany	100.00	
MBition Sofia EOOD	Sofia, Bulgaria	100.00	
Mercedes pay USA LLC	Wilmington, USA	100.00	
Mercedes-Benz Assignment Services Americas, LLC	Wilmington, USA	100.00	
Mercedes-Benz Business Services Sdn Bhd	Puchong, Malaysia	100.00	
Mercedes-Benz Cars Middle East FZE	Dubai, United Arab Emirates	100.00	
Mercedes-Benz Consulting GmbH	Leinfelden-Echterdingen, Germany	100.00	
Mercedes-Benz Distribution Vietnam Company Limited	Ho Chi Minh City, Vietnam	100.00	
Mercedes-Benz Egypt S.A.E.	Cairo, Egypt	100.00	
Mercedes-Benz Energy GmbH	Großröhrsdorf, Germany	100.00	
Mercedes-Benz Financial Services UK (Trustees) Limited	Milton Keynes, United Kingdom	100.00	
Mercedes-Benz G GmbH	Raaba, Austria	100.00	
Mercedes-Benz Gastronomie GmbH	Stuttgart, Germany	100.00	
Mercedes-Benz Group Services Poland Sp. z o.o.	Krakow, Poland	100.00	
Mercedes-Benz Heritage GmbH	Stuttgart, Germany	100.00	
Mercedes-Benz HPC Canada ULC	Vancouver, Canada	100.00	
Mercedes-Benz Hungária Kft.	Budapest, Hungary	100.00	
Mercedes-Benz IDC Europe S.A.S.U.	Valbonne, France	100.00	
Mercedes-Benz Intellectual Property Management GmbH	Stuttgart, Germany	100.00	
Mercedes-Benz Logistics and Distribution Egypt L.L.C.	Cairo, Egypt	100.00	
Mercedes-Benz Manufacturing and Import Egypt L.L.C.	Cairo, Egypt	100.00	
Mercedes-Benz Pensionsfonds AG	Stuttgart, Germany	100.00	6
Mercedes-Benz Purchasing Coordination Corporation	Wilmington, USA	100.00	
Mercedes-Benz Research & Development Tel Aviv Ltd.	Tel Aviv, Israel	100.00	
Mercedes-Benz Second Life Solutions LLC	Wilmington, USA	100.00	



Name of the company	Domicile, country/region	Equity interest in percent ¹	Footnote
Mercedes-Benz Slovakia s.r.o.	Bratislava, Slovakia	100.00	
Mercedes-Benz UK Share Trustee Ltd.	Milton Keynes, United Kingdom	100.00	
Mercedes-Benz UK Trustees Limited	Milton Keynes, United Kingdom	100.00	
Mercedes-Benz Unterstützungskasse GmbH	Stuttgart, Germany	100.00	
Mercedes-Benz Used Parts & Services GmbH	Neuhausen auf den Fildern, Germany	100.00	
Mercedes-Benz Venezuela S.A.	Valencia, Venezuela	100.00	4
Mercedes-Benz.io GmbH	Stuttgart, Germany	100.00	
Mercedes-Benz.io Portugal Unipessoal Lda.	Lisbon, Portugal	100.00	
MN8 Canada HPC Corporation	Toronto, Canada	100.00	
Montajes y Estampaciones Metálicas, S.L.	Esparreguera, Spain	51.00	
NAG Nationale Automobil-Gesellschaft Aktiengesellschaft	Stuttgart, Germany	100.00	
Porcher & Meffert Grundstücksgesellschaft mbH & Co. Stuttgart OHG	Schönefeld, Germany	100.00	7
PT Mercedes-Benz Consulting Services Indonesia	Bogor, Indonesia	100.00	
Star Transmission srl	Cugir, Romania	100.00	
STARKOM, proizvodnja in trgovina d.o.o.	Maribor, Slovenia	100.00	
III. Joint operations accounted for using proportionate consolidation			
Cooperation Manufacturing Plant Aguascalientes, S.A.P.I de C.V.	Aguascalientes, Mexico	54.01	
IV. Joint ventures accounted for using the equity method			
Automotive Cells Company SE	Bruges, France	31.45	
Beijing Ionchi New Energy Technology Ltd.	Beijing, China	50.00	
Enbase Power GmbH	Munich, Germany	25.10	
Fujian Benz Automotive Co., Ltd.	Fuzhou, China	50.00	
MB Service Japan Co., Ltd.	Hitachi, Japan	33.40	
SMART MOBILITY PTE. LTD.	Singapore, Singapore	43.22	
StarRides Technology Co., Ltd.	Hangzhou, China	50.00	
YOUR NOW Holding GmbH	Munich, Germany	50.00	



Name of the company	Domicile, country/region	Equity interest in percent ¹	Footnote
V. Associated companies accounted for using the equity method			
BAIC Motor Corporation Ltd.	Beijing, China	9.55	
Beijing Benz Automotive Co., Ltd.	Beijing, China	49.00	
Blacklane GmbH	Berlin, Germany	28.46	
Bolt Technology OÜ	Tallinn, Estonia	6.84	
Daimler Truck Holding AG	Leinfelden-Echterdingen, Germany	32.25	
IONITY Holding GmbH & Co. KG	Munich, Germany	15.12	
Ionna LLC	Durham, USA	14.29	
LSH Auto Holdings Limited	Hong Kong, China	15.00	
LSH Auto International Limited	Hong Kong, China	15.00	
Mercedes-Benz Grand Prix Ltd.	Brackley, United Kingdom	33.33	
There Holding B.V.	Rijswijk, Netherlands	30.60	
VI. Joint operations, joint ventures and associated companies accounted for at (amortized) cost²			
ASOCIACIÓN VASCA PARA EL DESARROLLO DE TECNOLOGÍAS DE FABRICACIÓN AVANZADA EN AUTOMOCIÓN	Vitoria, Spain	0.00	3
BDF IP Holdings Ltd.	Burnaby, Canada	33.00	
Beijing Mercedes-Benz Sales Service Co., Ltd.	Beijing, China	51.00	
BTV technologies GmbH	Unna, Germany	40.00	
Esslinger Wohnungsbau GmbH	Esslingen am Neckar, Germany	26.57	
European Center for Information and Communication Technologies - EICT GmbH	Berlin, Germany	33.33	
Grundstücksgesellschaft Schlossplatz 1 mbH & Co. KG	Berlin, Germany	18.37	7
hap2U SAS	Pontcharra, France	34.59	4
PDB - Partnership for Dummy Technology and Biomechanics GbR	Ingolstadt, Germany	20.00	7
Power Supply Systems GmbH	Stuttgart, Germany	24.90	
SK Gaming Beteiligungs GmbH	Cologne, Germany	24.17	
STARCAM s.r.o.	Most, Czech Republic	51.00	
VfB Stuttgart 1893 AG	Stuttgart, Germany	10.41	



Name of the company	Domicile, country/region	Equity interest in percent ¹	Footnote
VII. Substantial other investments recognized at fair value			
Aston Martin Lagonda Global Holdings Plc	Gaydon, United Kingdom	7.54	
Daimler Buses Grundstücksverwaltung GmbH & Co. OHG	Schönefeld, Germany	10.12	7
Factorial Inc.	Woodbury, USA	9.43	
Gamma 1 Daimler Truck Grundstücksverwaltung GmbH & Co. OHG	Schönefeld, Germany	10.10	7
Gamma 2 Daimler Truck Grundstücksverwaltung GmbH & Co. OHG	Schönefeld, Germany	10.10	7
Momenta Global Limited	Grand Cayman, Cayman Islands	6.97	
Sila Nanotechnologies Inc.	Dover, USA	6.57	
The Mobility House AG	Zurich, Switzerland	11.01	

1 Shareholding pursuant to Section 16 of the German Stock Corporation Act (AktG).

2 For the accounting of unconsolidated subsidiaries, joint operations, joint ventures and associated companies, we refer to [Note 1](#).

3 Control due to economic circumstances.

4 In liquidation.

5 Qualification for exemption pursuant to Section 264 Subsection 3 and Section 264b of the German Commercial Code (HGB).

6 Control over the investment of the assets. No consolidation of the assets due to the contractual situation.

7 Mercedes-Benz Group AG or one or several consolidated subsidiaries is/are the partner(s) with unlimited liability.



The Board of Management

Stuttgart, 3 March 2026

Ola Källenius

Dr Jörg Burzer

Mathias Geisen

Olaf Schick

Michael Schiebe

Britta Seeger

Oliver Thöne

Harald Wilhelm



The Showcar Vision V



FURTHER INFORMATION

**389 Responsibility Statement of the
Legal Representatives**

390 Independent Auditor's Report

**400 Assurance Report of the
Independent German Public
Auditor**

405 Key Figures

408 Further Information



Responsibility Statement of the Legal Representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the profitability, cash flows and financial position of the Group, and the Group management report, which has been combined with the management report for Mercedes-Benz Group AG, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Stuttgart, 3 March 2026

Ola Källenius

Dr Jörg Burzer

Mathias Geisen

Olaf Schick

Michael Schiebe

Britta Seeger

Oliver Thöne

Harald Wilhelm



Independent Auditor's Report

To Mercedes-Benz Group AG,
Stuttgart

Report on the Audit of the Consolidated Financial Statements and of the Group Management Report

Audit Opinions

We have audited the consolidated financial statements of Mercedes-Benz Group AG, Stuttgart, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2025 and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the Group Management Report of Mercedes-Benz Group AG, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2025. In accordance with the German legal requirements, we have not audited the content of those parts of the

Group Management Report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU and the additional requirements of German Commercial Law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2025, and of its financial performance for the financial year from 1 January to 31 December 2025 and
- the accompanying Group Management Report as a whole provides an appropriate view of the Group's position. In all material respects, this Group Management Report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the Group

Management Report does not cover the content of those parts of the Group Management Report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the Group Management Report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the Group Management Report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are



independent of the Group entities in accordance with the requirements of European law and German Commercial and professional Law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the Group Management Report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

- ① Impairment risk in relation to operating leases
- ② Loss allowances on receivables from financial services
- ③ Measurement of the provisions for product warranties

Our presentation of these key audit matters has been structured in each case as follows:

- ① Matter and issue
- ② Audit approach and findings
- ③ Reference to further information

Hereinafter we present the key audit matters:

① Impairment risk in relation to operating leases

- ① As at the end of the reporting period, the operating leases reported under the “Equipment on operating leases” item in the statement of financial position totaled EUR 39,472 million (approximately 15.5 % of total assets). These include Mercedes-Benz cars purchased by non-Group dealers that are leased to end customers through the Mercedes-Benz Group under operating leases. These leased assets are measured at cost and depreciated on a straight-line basis to their expected residual values over the term of the lease. A key estimated value for subsequent measurement is the expected residual value of the leased assets. The Mercedes-Benz Group calculates residual values using internally available data on historical values, current market data and data from external market research institutes. The estimates of residual value also include regulatory changes in the individual markets and changes in customer behaviour, including due to climate policy considerations. The estimation of future residual values is subject to judgment due to the large number of assumptions to be made by the Board of Management and the amount of data incorporated in the determination.



Against this background and due to the resulting significant uncertainties with regard to estimates in the context of measuring the residual values of the leased products, this matter was of particular significance in the context of our audit.

- ② Our audit included inquiries and inspections of documentation pertaining to internal calculation methods to obtain an understanding of the development of operating leases, the underlying residual value risks as well as the business processes for the identification, management, monitoring and measurement of residual value risks. We furthermore reviewed the appropriateness of the internal control system, in particular in relation to the calculation of expected residual values. In addition, we evaluated the appropriateness of the methods, the model assumptions as well as the parameters used to measure the residual values based on the validation carried out by the Mercedes-Benz Group. For this purpose, we consulted the Mercedes-Benz Group's experts responsible for managing and monitoring residual value risks and inspected the internal analysis on residual value developments and the validation results. We compared the residual values determined using these methods with data from external market research institutions and compared past results with actual developments in residual values. We ensured the mathematical accuracy of the residual values by verifying key calculation steps.

The methods and processes for determining the expected residual values of externally acquired leased assets underlying the valuation are appropriate according to our opinion and the assumptions and parameters incorporated in the procedure to calculate residual values are appropriate as a whole.

- ③ The Company's disclosures relating to accounting policies, assumptions, judgments and estimates applied are contained in sections "1. Material accounting policies", "2. Accounting estimates and management judgments" and "12. Equipment on operating leases" of the notes to the financial statements.

② Loss allowances on receivables from financial services

- ① Receivables from financial services totaling EUR 76,289 million (29.9 % of total assets) are reported in the Company's consolidated financial statements. These primarily comprise receivables from sales financing with customers and dealers and receivables from finance leases. Loss allowances amounting to EUR 985 million were recognized for these receivables as at the 31 December 2025 reporting date.

The loss allowances are measured in a three-stage procedure and are determined in particular by the structure and quality of the receivables, expectations as to future macroeconomic developments in the context of scenario analyses, and the Board of Management's estimates of future defaults. Historical probabilities of default and loss rates, the outstanding amount of the receivables and recoveries still expected are taken into account, as is any existing collateral.

The amounts of the loss allowances on receivables are highly significant for the assets, liabilities and financial performance of the Company and they involve considerable judgment on the part of the Board of Management, in particular due to the measurement inputs which are subject to material uncertainties. Against this background, this matter was of particular significance in the context of our audit.

- ② As part of our audit, we initially assessed the design of the Company's relevant internal control system



and on that basis tested whether the controls functioned effectively. In doing so, we considered the business organization, the IT systems and the relevant measurement models.

A key component of our audit was to assess in particular the appropriateness of the risk classification procedures and the risk provisioning parameters used. We also analyzed the validations of parameters that the Company regularly conducted. To assess the credit risk, we also used targeted sampling of individual cases to verify among other things that the attributes for assignment to the respective risk categories were suitably available and the loss allowances had been calculated using the parameters defined for these risk categories.

On the basis of our audit procedures, we satisfied ourselves overall that the assumptions made by the Board of Management for the purpose of testing the receivables for impairment are appropriate, and that the controls implemented by the Company are appropriate and effective.

③ The Company's disclosures relating to loss allowances on receivables from financial services are contained in section 2 "Accounting estimates and management judgments" to the consolidated financial statements. Further disclosures relating to loss allowances on receivables from financial services can be found in section 1 "Material accounting policies", section 14 "Receivables from financial services" and section 32 "Management of financial risks" to the consolidated financial statements, and in the section entitled "Financial risks and opportunities" in the Group Management Report.

③ Measurement of the provisions for product warranties

① The Mercedes-Benz Group grants various types of product warranties that usually guarantee the performance of a product or service for a defined period.

The provisions for product warranties amount to EUR 7,091 million and are reported under the provisions for other risks. They are generally recognized when a vehicle is sold.

The provisions for these product warranties include both expected expenses under statutory and contractual warranty claims and expected expenses for goodwill concessions and product recalls.

Determining the amount of the provisions requires assumptions to be made about the nature and extent of future warranty claims, goodwill concessions and potential recalls per model series. These estimates are based on past experience of potential and actual claims. The estimates also include assumptions about the amount of potential repair costs per vehicle and the effects of potential time or kilometer limits. An estimate is also made of the discount rate. The provisions are regularly modified to reflect new information.



A particular source of material estimate uncertainties in calculating the amount of the provisions is the future claims occurrence.

Against this background, the Board of Management's measurement of the provisions for product warranties was subject to considerable judgment and as such was of particular significance in the context of our audit.

- ② In order to evaluate the overall appropriateness of calculating the provisions for product warranties, our audit involved gaining an understanding of the processes used to determine the provisions and assessing the relevant methods and assumptions used to measure it. In particular, we have assessed the assumptions regarding expected potential claims and claims experience based on actual warranty claims and goodwill concessions incurred. We used historical analyses to assess the forecast accuracy for relevant product warranties. In addition, we checked that updated assessments of future repair costs and techniques were taken into material consideration for these relevant product warranties. We used actual sales to evaluate, on a test basis, the underlying numerical data on vehicles. Furthermore, we verified that the term-congruent interest rates were properly derived.

In our view, taking into consideration the information available, the valuation parameters and underlying assumptions used by the Board of Management is appropriate overall for the purpose of properly measuring the provision for product warranties.

- ③ The Company's disclosures relating to the accounting policies applied are contained in sections "1. Material accounting policies" and "2. Accounting estimates and management judgments" of the notes to the consolidated financial statements. Further disclosures on the product warranties can be found in section "23. Provisions for other risks" of the notes to the consolidated financial statements and in the section entitled "Company-specific risks and opportunities – Warranty and goodwill cases" in the Group Management Report.

Other Information

The Board of Management is responsible for the other information. The other information comprises the following non-audited parts (in terms of content) of the Group Management Report:

- The section "Sustainability Statement" of the management report with the Group Sustainability Statement, which is subject of a separate assurance engagement to obtain limited and reasonable assurance
- The section "Appropriateness and effectiveness of the internal control and risk management system of the management report"

The other information comprises further

- The statement on corporate governance pursuant to § 289f HGB and § 315d HGB
- all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited Group Management Report and our auditor's report

Our audit opinions on the consolidated financial statements and on the Group Management Report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.



In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the Group Management Report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Management and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The Board of Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German Commercial Law pursuant to § 315e Abs. 1 HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the Board of Management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that

are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the Board of Management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the Board of Management is responsible for the preparation of the Group Management Report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Board of Management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a Group Management Report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the Group Management Report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the

preparation of the consolidated financial statements and of the Group Management Report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the Group Management Report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the Group Management Report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this Group Management Report.



We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the Group Management Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the Group Management Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control and these arrangements and measures (systems), respectively.
- Evaluate the appropriateness of accounting policies used by the Board of Management and the reasonableness of estimates made by the Board of Management and related disclosures.
- Conclude on the appropriateness of the Board of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists

related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the Group Management Report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German Commercial Law pursuant to § 315e Abs. 1 HGB.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the Group Management Report. We are responsible for the direction, supervision and review of the audit work performed for purposes

of the Group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the Group Management Report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the Board of Management in the Group Management Report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Board of Management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence,



and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the Group Management Report (hereinafter the "ESEF documents") contained in the electronic file Mercedes-Benz_Group_AG_KA+LB_ESEF-2025-12-31-1-de.xbri and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the Group Management Report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the Group Management Report contained in the electronic file identified above

and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying Group Management Report for the financial year from 1 January to 31 December 2025 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the Group Management Report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

**Responsibilities of the Board of Management and the Supervisory Board for the ESEF Documents**

The Board of Management of the Company is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the Group Management Report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the Board of Management of the Company is responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited Group Management Report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as Group auditor by the annual general meeting on 7 May 2025. We were engaged by the Supervisory Board on 21 May 2025. We have been the Group auditor of the Mercedes-Benz Group AG, Stuttgart, without interruption since the financial year 2024.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).



Reference to an Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited Group Management Report as well as the assured ESEF documents. The consolidated financial statements and the Group Management Report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited Group Management Report and do not take their place. In particular, the “Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB” and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Thomas Tandetzki.

Stuttgart, March 3, 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Dietmar Prümm
Wirtschaftsprüfer
[German Public Auditor]

Thomas Tandetzki
Wirtschaftsprüfer
[German Public Auditor]



Assurance Report of the Independent German Public Auditor

on an Assurance Engagement to obtain Limited and Reasonable Assurance in relation to the Group Sustainability Statement

To Mercedes-Benz Group AG,
Stuttgart

Assurance Conclusions

We have conducted a limited assurance engagement on the Group Sustainability Statement of Mercedes-Benz Group AG, Stuttgart, (hereinafter the “Company“) taking into account, as set forth in the subsequent paragraph, the reasonable assurance engagement on the disclosures marked with * in the Group Sustainability Statement included in section “Sustainability Statement” of the Group Management Report, which is combined with the Company’s Management Report, for the financial year from 1 January to 31 December 2025 (hereinafter the “Group Sustainability Statement“). The Group Sustainability Statement has been prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU)

2020/852 as well as §§ [Articles] 289b to 289e HGB [Handelsgesetzbuch: German Commercial Code] and §§ 315b to 315c HGB to prepare a combined non-financial statement.

Based on the particular engagement, we have conducted a reasonable assurance engagement on the disclosures

- Total number of employees
- Gender distribution at top management level (level 1-3) (absolute)
- Mercedes-Benz CO₂ emissions on average passenger cars and light commercial vehicles in Europe (in g/km) – company-specific
- Mercedes-Benz greenhouse gas figures passenger cars, light-duty trucks and medium-duty vehicles in the US (in g CO₂/mi) – company-specific
- Mercedes-Benz fleet consumption passenger cars (imported) in China (in l/100 km) – company-specific

marked with * (together hereinafter the “Disclosures marked with **“) in the Group Sustainability Statement. A reasonable assurance engagement on these disclosures fulfils the requirements for a limited assurance engagement and, in accordance with Recital 60 to the CSRD, thereby complies with the requirements of the CSRD relating to assurance of the Group Sustainability Statement. Based on the procedures performed and the evidence obtained as part of our limited assurance engagement, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Statement, taking into account the Disclosures in the Group Sustainability Statement marked with * and subject to a reasonable assurance engagement, is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, § 315c in conjunction with §§ 289c to 289e HGB to prepare a combined non-financial statement as well as with the supplementary criteria presented by the Board of



Management of the Company. This assurance conclusion includes that no matters have come to our attention that cause us to believe:

- that the accompanying Group Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information to be included in the Group Sustainability Statement (hereinafter the “materiality assessment”) is not, in all material respects, in accordance with the description set out in section “Process for materiality assessment” of the Group Sustainability Statement, or
- that the disclosures set out in section “EU Taxonomy” of the Group Sustainability Statement do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

In our opinion, on the basis of our reasonable assurance engagement, the Disclosures marked with * in the Group Sustainability Statement were prepared, in all material respects, in accordance with the requirements applicable to these disclosures and the supplementary criteria presented by the Board of Management of the Company.

Basis for the Assurance Conclusions

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the “German Public Auditor’s Responsibilities for the Assurance Engagement on the Group Sustainability Statement” section.

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has complied with the quality management system requirements of the IDW Standard on Quality Management: Requirements for Quality Management in the Audit

Firm (IDW QMS 1 (09.2022)) issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusions.

Responsibility of the Board of Management and the Supervisory Board for the Group Sustainability Statement

The Board of Management are responsible for the preparation of the Group Sustainability Statement in accordance with the requirements of the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the Board of Management of the Company. They are also responsible for the design, implementation and maintenance of such internal controls that they have considered necessary to enable the preparation of a Group Sustainability Statement in accordance with these regulations that is free from material misstatement, whether due to fraud (i.e., manipulation of the Group Sustainability Statement) or error.

This responsibility of the Board of Management includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Statement, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.



The Supervisory Board is responsible for overseeing the process for the preparation of the Group Sustainability Statement.

Inherent Limitations in the Preparation of the Group Sustainability Statement

The CSRD and the relevant German statutory and other European regulations contain wording and terms that are still subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. Therefore, the Board of Management have disclosed their interpretations of such wording and terms in section "General Information" of the Group Sustainability Statement. The Board of Management is responsible for the defensibility of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Group Sustainability Statement.

German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement

Our objectives are

- a) to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Statement, taking into account the Disclosures in the Group Sustainability Statement marked with * and subject to a reasonable assurance engagement, has not been prepared, in all material respects, in accordance with the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the Board of Management of the Company, and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Statement, taking into account the Disclosures in the Group Sustainability Statement marked with * and subject to a reasonable assurance engagement.
- b) to express a reasonable assurance opinion, based on the assurance engagement we have conducted on whether the Disclosures marked with * in the Group Sustainability Statement are prepared, in all material respects, in accordance with the requirements applicable to these disclosures and the supplementary criteria presented by the Board of Management of the Company.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- a) for the limited assurance engagement
 - obtain an understanding of the process to prepare the Group Sustainability Statement, including the materiality assessment process carried out by the Company to identify the information to be included in the Group Sustainability Statement.
 - identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls. In addition, the risk of not detecting a material misstatement within value chain information from sources not under the control of the company (value chain information) is generally higher than the risk of not detecting a material misstatement of value chain information from sources under the control of the company, as



both the Board of Management of the Company and we, as assurance practitioners, are ordinarily subject to limitations on direct access to the sources of value chain information.

- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.
- b) for the reasonable assurance engagement
- perform risk assessment procedures, including obtaining an understanding of the internal controls that are relevant to the assurance engagement on the Disclosures marked with * in the Group Sustainability Statement in order to identify and assess the risks of material misstatement at the assertion level due to fraud or error, but not for the purpose of expressing an assurance opinion on the effectiveness of these internal controls of the Company. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a

material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources in the value chain not within the entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's Board of Management and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.

- evaluate the appropriate derivation of the forward-looking information from the significant assumptions and the appropriateness of these assumptions. We do not express a separate assurance opinion either on the forward-looking information nor on the assumptions on which they are based. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

An assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

- a) In conducting our limited assurance engagement, we have, amongst other things:
- evaluated the suitability of the criteria as a whole presented by the Board of Management in the Group Sustainability Statement.
 - inquired of the Board of Management and relevant employees involved in the preparation of the Group Sustainability Statement about the preparation process, including the materiality assessment process carried out by the company to identify the information to be included in the Group Sustainability Statement, and about the internal controls relating to this process.
 - evaluated the reporting policies used by the Board of Management to prepare the Group Sustainability Statement.
 - evaluated the reasonableness of the estimates and the related disclosures provided by the Board of Management. If, in accordance with the ESRS, the Board of Management estimates the value chain information to be reported for a case in which the Board of Management is unable to obtain the information from the value chain



despite making reasonable efforts, our assurance engagement is limited to evaluating whether the Board of Management has undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the Board of Management has been unable to obtain.

- performed analytical procedures and made inquiries in relation to selected information in the Group Sustainability Statement.
- performed site visits.
- considered the presentation of the information in the Group Sustainability Statement.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Statement.

b) In conducting our reasonable assurance engagement, we have performed the assurance procedures listed under a) to a greater extent and, amongst other things:

- evaluated the preparation process and the internal controls relating to this process.
- tested the operating effectiveness of selected internal controls.
- performed test of details on selected disclosures in the Group Sustainability Statement on a sample basis.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is solely towards the Company. We do not accept any responsibility, duty of care or liability towards third parties.

Stuttgart, 3 March 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Dietmar Prümm
Wirtschaftsprüfer
[German Public Auditor]

Thomas Tandetzki
Wirtschaftsprüfer
[German Public Auditor]



Key Figures

Financial Key Figures for the Mercedes-Benz Group

	2025	2024	25/24 % change
In millions of euros			
Revenue	132,214	145,594	-9
EBIT	5,820	13,599	-57
Adjusted EBIT	8,235	13,713	-40
Net profit	5,331	10,409	-49
Earnings per share (in euros) ¹	5.34	10.19	-48
Dividend per share (in euros)	3.50	4.30	-19
Free cash flow of the industrial business	5,414	9,152	-41
Adjusted free cash flow of the industrial business	5,856	9,421	-38
Net liquidity of the industrial business (31 December)	32,162	31,417	+2
Investments in property, plant and equipment	5,482	4,039	+36
Research and development expenditure	9,680	9,717	-

¹ Based on net profit attributable to shareholders of Mercedes-Benz Group AG.



Non-Financial Key Figures

	2025	2024	25/24 % change
Environmental information			
Mercedes-Benz Cars unit sales	1,801,291	1,983,403	-9
Share of electrified vehicles, Mercedes-Benz Cars (in %)	20.5	18.5	.
Share of all-electric vehicles, Mercedes-Benz Cars (in %)	9.4	9.3	.
Mercedes-Benz Vans unit sales	359,136	405,610	-11
Share of electrified vehicles, Mercedes-Benz Vans (in %) ¹	7.9	4.8	.
CO ₂ lifecycle emissions Mercedes-Benz Cars (in t CO ₂ /vehicle) ²	46.7	46.7	-
CO ₂ lifecycle emissions Mercedes-Benz Vans (in t CO ₂ /vehicle) ²	61.1	62.1	-2
CO ₂ emissions of the new passenger car fleet (category M1) in Europe (in g/km) ^{3, 4, 5}	106	103	+3
CO ₂ emissions of the new passenger car fleet in the United States (in g CO ₂ /mi) ⁵	215	180	+19
Fuel consumption of the new car fleet in China (in l/100km) ^{5, 6}	8.3	8.4	-1
CO ₂ emissions of the new light commercial vehicle fleet (category N1) in Europe (in g/km) ⁵	183	204	-10
CO ₂ emissions of the new light-duty truck fleet in the United States (in g CO ₂ /mi) ⁵	229	265	-14
CO ₂ emissions in production – market-based (Scope 1 and Scope 2) (in 1,000 t) ⁷	400	423	-5
Energy consumption in production per vehicle Mercedes-Benz Cars (in MWh/vehicle)	2.7	2.7	-
Energy consumption in production per vehicle Mercedes-Benz Vans (in MWh/vehicle)	2.4	2.3	+3
Waste volume in production per vehicle Mercedes-Benz Cars (in kg/vehicle)	358	367	-3
Waste volume in production per vehicle Mercedes-Benz Vans (in kg/vehicle)	84	89	-5
Water consumption in production per vehicle Mercedes-Benz Cars (in m ³ /vehicle) ⁸	3.8	3.8	-
Water consumption in production per vehicle Mercedes-Benz Vans (in m ³ /vehicle) ⁸	3.4	3.6	-6
Social information			
Own workforce			
Employees Mercedes-Benz Group ⁹	164,120	175,264	-6
Share of women in senior management level 1-3 (in %)	26.7	26.4	.
Workers in the value chain (human rights)			
Review of critical raw materials (in %) ¹⁰	72	65	.

1 This figure refers exclusively to all-electric vehicles.

2 Due to adjustments to the methodology for determining Scope 3 Category 1 emissions, the value for 2024 was recalculated. Compared to the methodology used in the prior year, the total specific CO₂ emissions for Mercedes-Benz Cars increased by 2.5 t CO₂/vehicle and for Mercedes-Benz Vans by 1.7 t CO₂/vehicle.

3 European Union, Norway and Iceland.

4 Taking into account the vehicles of the joint venture smart Automobile Co., Ltd. in the Mercedes-Benz CO₂ pool.

5 Internal values.

6 Value with off-cycle technologies.

7 For the market-based accounting approach, the Mercedes-Benz Group collects the CO₂ emission factors of the local electricity and district heating tariffs or electricity and district heating suppliers at its locations worldwide.

8 Calculated according to the Mercedes-Benz calculation method.

9 Active workforce including holiday workers excluding thesis writers, interns, working students, PhD students, senior experts and trainees as of 31 December 2025.

10 The Mercedes-Benz Group has prioritized 24 high-risk materials that have been reviewed in a raw material assessment. The key figure shows the overall progress of the evaluation process across all 24 raw materials.

Further key figures are available in the “Sustainability Statement” chapter under “Environmental information”, “Social information” and “Governance information” in the Combined Management Report.



Further Information

Further information about the **Mercedes-Benz Group-share** can be found at

group.mercedes-benz.com/investors

The Mercedes-Benz Group AG Annual and Interim Reports and company financial statements are also available there. In addition, you can find the latest news, the financial calendar, presentations, various overviews of key figures, information on the share price and additional services.

The reports are published in German and English. The German version is binding.

For sustainability reasons, the Annual and Interim Reports are not printed in hard copy. All Annual and Interim Reports are made available online for download in PDF format.

group.mercedes-benz.com/investors/reports-news

Mercedes-Benz Group AG

70546 Stuttgart

Tel. +49 711 17 0

group.mercedes-benz.com/en

Forward-looking statements

This document contains forward-looking statements that reflect current views of the Mercedes-Benz Group about future events. The words "anticipate", "assume", "believe", "estimate", "expect", "intend", "may", "can", "could", "plan", "project", "should" and similar expressions are used to identify forward-looking statements. These statements are subject to many risks and uncertainties, material examples of which include (1) an adverse development of global economic conditions, in particular a negative change in market conditions in the most important markets e.g. a shift in consumer preferences towards smaller, lower-margin vehicles; a limited demand for all-electric vehicles; a possible lack of acceptance of products or services which limits the ability to achieve prices and adequately utilize production capacities; a decline in resale prices of used vehicles; (2) the business outlook for companies in which the Mercedes-Benz Group holds a significant equity interest; (3) the successful implementation of strategic cooperations and joint ventures; (4) a deterioration of refinancing possibilities on the credit and financial markets; (5) the effective implementation of cost-reduction and efficiency-optimization measures; and (6) the resolution of pending governmental investigations or of investigations requested by governments and the outcome of pending or threatened future legal proceedings; and other risks and uncertainties, some of which are described under the heading "Risk and Opportunity Report" in this Annual Report. Further examples for such risks include events of force majeure including natural disasters, pandemics, acts of terrorism, cyber-attacks, political unrest, armed or other conflicts, industrial accidents and their effects on sales, purchasing, production or financial services activities; changes in currency exchange rates, customs and foreign trade provisions; changes in laws, regulations and government policies (or changes in their interpretation), particularly those relating to vehicle emissions, fuel economy and safety or to the communication regarding sustainability topics (environmental, social or governance topics); price increases for fuel, raw materials or energy; disruption of production due to shortages of materials or energy, labour strikes or supplier insolvencies. If any of these risks and uncertainties materializes or if the assumptions underlying any of our forward-looking statements prove to be incorrect, the actual results may be materially different from those we express or imply by such statements. The Mercedes-Benz Group does not intend or assume any obligation to update these forward-looking statements since they are based solely on the circumstances at the date of publication.

Statements regarding consumption values

Stated consumption values were determined in accordance with the prescribed WLTP (Worldwide harmonised Light vehicles Test Procedure) measurement procedure.

