

# Declaration on Corporate Governance

In the Declaration on Corporate Governance pursuant to Sections 289f, 315d of the German Commercial Code (HGB), the Board of Management and the Supervisory Board report on the Corporate Governance of the Company in 2022. 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 statements by the auditor is to be limited to whether the legally required statements were made. This Declaration on Corporate Governance is, in addition to the no longer current declarations of the past five years, available at [🌐 group.mercedes-benz.com/dcg](https://group.mercedes-benz.com/dcg).

## Declaration by the Board of Management and the Supervisory Board of Mercedes-Benz Group AG pursuant to Section 161 of the German Stock Corporation Act on the German Corporate Governance Code

Mercedes-Benz Group AG complies with the recommendations of the German Corporate Governance Code as amended on 28 April 2022 and published in the official section of the Federal Gazette on 27 June 2022, with the exception of recommendations C.4 and C.5 (maximum number of mandates of Supervisory Board). Mercedes-Benz Group AG shall continue to comply with the recommendations in the future subject to the aforementioned deviations.

Since issuing the last Declaration of Compliance in December 2021, Mercedes-Benz Group AG has complied with the recommendations of the German Corporate Governance Code as amended on 16 December 2019 and published in the official section of the Federal Gazette on 20 March 2020, with the exception of recommendations C.4 and C.5 (maximum number of mandates of Supervisory Board).

### Maximum number of Supervisory Board mandates (C.4 and C.5)

According to recommendation C.4, a member of the Supervisory Board who is not a member of the board of management of a listed company shall not hold more

than a total of five mandates on the supervisory boards of listed companies outside the Group or comparable functions, in the course of which the chairmanship of a supervisory board shall count twice. According to recommendation C.5, members of the board of management of listed companies should not hold more than two mandates on the supervisory boards of listed companies outside the Group or comparable functions and should not chair the supervisory board of a listed company outside the Group. Whether the total number of mandates held by members of the Board of Management and the Supervisory Board in non-Group listed companies and comparable functions is still deemed to be appropriate is to be assessed more properly on a case-by-case basis rather than by means of a rigid upper threshold, particularly in view of the fact that it is not always possible to make a clear distinction between the mandates to be considered here. Aside from that, the individual workload to be expected from the aggregate of the mandates held does not necessarily increase in proportion to their number.

Stuttgart, December 2022

For the Supervisory Board	For the Board of Management
Dr Bernd Pischetsrieder	Ola Källenius
Chairman	Chairman

This Declaration of Compliance is, in addition to the no longer current Declarations of Compliance of the past five years, also available on the website of the company at [🌐 group.mercedes-benz.com/dcg](https://group.mercedes-benz.com/dcg).

## Remuneration report, remuneration system

The 2022 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](https://group.mercedes-benz.com/remuneration-bom). The applicable remuneration system for the members of the Board of Management for 2022 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 8 July 2020, are also available there. The resolution adopted by the Annual General Meeting on 31 March 2021 pursuant to Section 113 Subsection 3 of the German Stock Corporation Act (AktG) on the remuneration of the members of the Supervisory Board is available at [group.mercedes-benz.com/remuneration-sb](https://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 stated and justified in the Declaration of Compliance.

Mercedes-Benz Group AG has fully complied and continues to comply with the suggestions of the Code.

### **Principles of our business activity**

The Mercedes-Benz Group conducts its business in accordance with Group-wide standards that go beyond the requirements of the law and the German Corporate Governance Code. 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 such as those as we are currently experiencing. 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. As one of the world’s leading automakers, the Mercedes-Benz Group also wants to be at the forefront when it comes to sustainability. The company defines the most important principles in its Code of Conduct, 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 Code of Conduct**

Employees from various divisions around the world were involved in the creation of the new Code of Conduct in 2019. 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 Code of Conduct contains, inter alia, regulations regarding the respect and safeguarding of human rights as well as the handling of conflicts of interests, and

prohibits corruption in any form whatsoever. The policy has binding effect for all companies and employees of the Mercedes-Benz Group worldwide. It is available on the internet at [group.mercedes-benz.com/compliance/integrity-code](https://group.mercedes-benz.com/compliance/integrity-code).

In addition, the company agreed on the Principles of Social Responsibility with the International Works Council. They are applicable at Mercedes-Benz Group AG as well as throughout the entire Group. In this agreement, the Mercedes-Benz Group commits to the principles of the UN Global Compact, including the internationally recognized human and labour rights regulated therein, freedom of association, sustainable environmental protection and the prohibition of child and forced labour. In addition, the company is committed to upholding equal opportunities and the principle of “equal pay for work of equal value” for employees.

### **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 direct business partners, the Company makes sure that they comply with the law, follow ethical principles, and in this sense also have an impact on the supply chain. For the Mercedes-Benz Group’s expectations of its business partners, please also see [group.mercedes-benz.com/company/compliance/business-partners.html](https://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. The Advisory Board meets several times a year under the direction of the member of the Board of Management responsible for Integrity and Legal Affairs. One of these annual meetings specifically serves to exchange information with other members of the Board of Management and members of the Supervisory Board. A regular exchange of information and opinions between the Advisory Board and company managers and employees takes place in other meetings devoted to specific topics. Two working groups were established in the reporting year in order to strengthen this dialogue. Their goal is to promote more extensive discussions on the topics of “Integrity and employees” and “Climate protection and resource conservation”. In 2022, the Advisory Board also addressed the new Corporate Citizenship Strategy, the role the Mercedes-Benz Group plays in society and the impact the geopolitical situation is having on the company.

### **Internal control, risk and compliance management systems within the Group**

The Mercedes-Benz Group has appropriate and effective 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 systems also take risks and opportunities associated with social and environmental factors into account. In identifying sustainability-related risks and opportunities, Mercedes-Benz Group AG is guided by the topics identified by the materiality analysis and thus includes the areas of action of the sustainable business strategy, for which concrete goals have been assigned. Sustainability-related data are systematically recorded and social and environmental impacts of the company's activities are identified and assessed as part of thematic risk assessments, for example in life cycle assessments along the entire life cycle of vehicles or in the Human Rights Respect System.

The risk management system is part of the overall planning, control and reporting process. This is to ensure that the executive management recognizes significant risks at an early stage and can initiate countermeasures in a timely fashion. Internal Audit monitors compliance with legal framework conditions and corporate standards by means of targeted audits and initiates appropriate measures where necessary. Further information on risk management can be found in the Risk and Opportunity Report in the 2022 Annual 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 assessment of the structure and processes of the internal control system by Internal Auditing. Further explanations of the internal control system are available in the Risk and Opportunity Report in the Combined Management Report 2022.

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 minimize compliance risks on the basis of the culture of integrity. Detailed information on the Mercedes-Benz Compliance Management System can be found in the Non-Financial Declaration chapter of the 2022 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 areas of action of the sustainable business strategy 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 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 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. In addition, 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 emissions and antitrust-related proceedings 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 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). In addition to the half-yearly financial report, the Mercedes-Benz Group also compiles quarterly financial reports. 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 consolidated 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 submits a proposal to the Annual General Meeting for the appointment of the auditor of the financial statements, the 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 declaration also specifies which other services were provided to the Group in the previous financial year and to what extent and which ones have contractually been stipulated for the following year.

The auditor informs the Chairman of the Audit Committee 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 of the financial statements. Furthermore, the auditor informs the Audit Committee and annotates in the audit report if, during the performance of the audit, the auditor discovers facts that reveal an inaccuracy in the Declaration of Compliance of the Board of Management and the Supervisory Board with the German Corporate Governance Code.

At the Annual General Meeting on 29 April 2022, KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, was appointed as auditor of the financial statements, auditor of the Consolidated Financial Statements, and auditor for the review of interim financial reports for the 2022 financial year and of interim financial reports for the 2023 financial year in the period up to the next Annual General Meeting in the 2023 financial year. KPMG AG Wirtschaftsprüfungsgesellschaft has audited the Company and Consolidated Financial Statements of Mercedes-Benz Group AG since the 1998 financial year; Alexander Bock has been the responsible auditor since the 2021 financial year. To ensure compliance with the duty to appoint a different audit firm, a selection and proposal process was conducted in accordance with the EU Statutory Audit Regulation during the reporting period in order to appoint an auditor for the 2024 financial year. On the basis of this process, the recommendation and preference of the Audit Committee, and its own review, the Supervisory Board has decided to propose to the 2023 Annual General Meeting that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft be appointed as auditor for the 2024 financial year.

## 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, whilst 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 2022, the Board of Management consisted of eight members. In December 2020, the Supervisory Board set a target for the proportion of women on the Board of Management in accordance with the German Act on the Equal Participation of Women and Men in Leadership Positions and a deadline for achieving this target. In August 2021, the German Second Leadership Positions Act (FüPoG II) came into force. According to the said Act, at least one woman and at least one man must be a member of the Board of Management in listed companies with parity participation and more than three members on the Board of Management. Compliance with this minimum participation requirement when appointing individual or multiple members of the Board of Management has been mandatory since 1 August 2022. Companies that are subject to the minimum proportion requirement no longer have to set a target quota for the proportion of women on the board of management. Nevertheless, the Supervisory Board has decided that the target quota for 2020 should remain in place as one aspect of the overall profile of requirements for appointments to the Board of Management.

Details on the overall profile of requirements and the participation of women on the Board of Management are presented in separate sections in this Declaration on Corporate Governance.

Without prejudice to the overall responsibility of the Board of Management, the individual members of the Board of Management shall manage their departments 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 dealt with 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. There were no committees of the Board of Management during the reporting period.

Information in terms of 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](https://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 financial targets and environmental and social targets and objectives. The use of this approach has led to the definition of the strategic areas of action climate protection and air quality, resource conservation, sustainable urban mobility, traffic safety, data responsibility and human rights as integral components of the sustainable business strategy. Along with financial targets, the corporate planning decided on by the Board of Management with the approval of the Supervisory Board also includes corresponding sustainability-related targets.

The internal control and risk management systems established by the Board of Management, which are appropriate and effective in relation to the scope of the Company's business operations and its risk situation, also address sustainability-related targets. Further information on sustainability can be found on the Company's website at [group.mercedes-benz.com/sustainability](https://group.mercedes-benz.com/sustainability).

The Board of Management ensures compliance with statutory provisions, official regulations, 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 basic features of which are presented in the Non-Financial Declaration chapter of the 2022 Annual Report. The components of the Compliance Management System include the BPO (Business Practices Office) whistleblowing system, which gives employees and external whistleblowers worldwide the opportunity to report violations of the rules.

The Board of Management compiles the interim financial reports of the Company, the Annual Financial Statements of Mercedes-Benz Group AG, the Consolidated Financial Statements and the Combined Management Report with Non-Financial Declaration of the Company and the Group. Together with the Supervisory Board, it prepares the Remuneration report and issues an annual Declaration of Compliance with the German Corporate Governance Code.

The Board of Management and the Supervisory Board work 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, 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 non-competition clause throughout the entire term of their contract. When making decisions, they 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.

Members of the Board of Management may only perform ancillary activities if these are approved by the Supervisory Board's Presidential Committee.

The Board of Management has adopted rules of procedure, available on the website of the Company at [group.mercedes-benz.com/company/corporate-governance](https://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 opportunities**

Diversity management has been part of the corporate strategy since 2005. The Mercedes-Benz Group relies on the diversity and variety of its employees because they form the basis of an efficient and successful company. Our diversity and inclusion activities aim to bring together the right people to meet challenges, to create a working culture that promotes the performance, motivation and satisfaction of employees and managers, and to contribute to the development of new target groups for our products and services. Through appropriate framework conditions and specific measures — from training formats for employees and managers, workshops, conferences and policies to target group-specific awareness-raising and communication measures — diversity and inclusion management thus contributes significantly to the further development of the corporate culture at the Mercedes-Benz Group.

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. In compliance with the statutory requirements, the Board of Management of Mercedes-Benz Group AG has set targets for the proportion of women at the two management levels of the Mercedes-Benz Group AG below the Board of Management and a deadline for attaining these targets. The specific details are presented in a separate section of this Declaration on Corporate Governance. Independently of the statutory requirements, the Company had already set itself the goal in 2006 of increasing the proportion of women in senior management positions within the Group

to at least 20% by 2020. This goal was achieved, and during the reporting period the Company set itself the new goal of appointing women to fill at least 30% of its senior management positions by 2030. As of 31 December 2022, the proportion of women in senior management positions at the Mercedes-Benz Group worldwide was 24.7% (active workforce without holiday workers).

## 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 Annual 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](https://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. According to the German Act on the Equal Participation of Women and Men in Leadership Positions, 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 a separate section of this Declaration on Corporate Governance.

In addition, the Supervisory Board has 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 also summarized in a separate section of this Declaration on Corporate Governance. The proposals of the Supervisory Board for the election of shareholder representatives by the Annual 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 members of the Supervisory Board assume responsibility for the training and further education measures required for their tasks, e.g. on topics relating to changes in the legal framework and forward-looking technologies, and are supported in this by the Company. New members of the Supervisory Board have the opportunity to meet the members of the Board of Management and senior executives with specialist responsibility in an 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 relevant topics of the Group as well as the governance structure. The key components of this programme include ESG (environmental, social, governance) and sustainability-related thematic blocks.

The Supervisory Board supervises and advises the Board of Management in the management of the business. 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 systems and monitors compliance with statutory provisions, official regulations and internal policies within the Company.

The Supervisory Board 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 Supervisory Board's monitoring and advisory activities relate in particular to sustainability issues associated with the ESG dimensions (environmental, social and governance factors). At regular intervals, the Supervisory Board obtains reports from the Board of Management on the status of implementation of the integrated sustainable corporate strategy and also examines the risks and opportunities for the Company that result from social and environmental factors and, increasingly, the ecological and social effects of the Company's business activities. The Supervisory Board also addresses sustainability reporting in the form of the Non-Financial Declaration in the Combined Management Report.

The duties of the Supervisory Board include the appointment and, if necessary, the dismissal of the members of the Board of Management. Initial appointments have generally been made in the past, and since 2021 have always been made, for a maximum of three years.

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 a separate section of this Declaration on Corporate Governance. 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 also summarized in a separate section of this Declaration on Corporate Governance.

On the basis of a proposal issued by the Presidential Committee, the Supervisory Board determines the system of remuneration for the Board of Management and on the basis of this system also determines the total individual remuneration of the individual members of the Board of Management. It also defines the targets for variable remuneration components, including non-financial and sustainability-oriented parameters. 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 approved by a majority of 95.33% at the Annual General Meeting in 2020, can be viewed at [group.mercedes-benz.com/remuneration-bom](https://group.mercedes-benz.com/remuneration-bom). The Remuneration report 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) are also available there.

The Supervisory Board examines the Annual Financial Statements, the Consolidated Financial Statements with Non-Financial Declaration, and the Combined Management Report of 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 2022 financial year is available in the Annual Report and at [group.mercedes-benz.com/company/corporate-governance/supervisory-board](https://group.mercedes-benz.com/company/corporate-governance/supervisory-board).

The Supervisory Board has adopted Rules of Procedure that, in addition to its duties and responsibilities, specifically regulate the convening 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](https://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 even in the absence of the Board of Management. Pursuant to the German Act on Strengthening Financial Market Integrity (FISG), which entered into force on 1 July 2021, 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. In view of the Covid-19 pandemic, which continued to be an issue during the reporting period, more extensive use of such remote formats had once again to be made in 2022.

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 how effectively the Supervisory Board and its committees perform their duties. The next self-assessment is scheduled to be conducted in 2023. Independently of the self-assessment of the Supervisory Board, the Audit Committee also carried out a self-evaluation of its activities again in 2022 on the basis of an extensive Company-specific questionnaire. The positive results of this self-assessment were presented and discussed at the Audit Committee meeting on 16 February 2023.

At 31 December 2022, in addition to the Mediation Committee to be established by law, there are four other committees of the Supervisory Board 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](https://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 2022, the Presidential Committee consisted of Dr Bernd Pischetsrieder (Chairman), Ergun Lümali (Deputy Chairman), Ben van Beurden and Roman Zitzelsberger.

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 requirements for the proportion of women 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 the granting of approval for ancillary 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 to the Supervisory Board by the shareholder representatives by a majority of the votes cast. As of 31 December 2022, they are Dr Bernd Pischetsrieder (Chairman of the Nomination Committee), Sari Baldauf and Ben van Beurden. 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 Annual 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 by a majority of the votes cast. As of 31 December 2022, they are the shareholder representatives Olaf Koch (Chairman of the Audit Committee) and Timotheus Höttges as well as the employee representatives Michael Brecht (Deputy Chairman) and Ergun Lümali.

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 auditing 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 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 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 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.

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. Further information on the evaluation of the independence of members of the Supervisory Board is summarised in the section on the overall profile of requirements for the composition of the Supervisory Board in this Declaration on Corporate Governance.

The Audit Committee is responsible for monitoring the accounting and the accounting process, and for the audit of the financial statements, 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 with the Board of Management. It receives regular reports on the work of internal auditing and the compliance organization. In addition, each member of the Audit Committee may obtain information directly from the heads of those corporate departments of the Company 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.

At least quarterly, the Audit Committee receives the report of the BPO (Business Practices Office) whistleblowing system on complaints and information on possible violations of the rules by top executives and other employees according to a defined catalogue of statutory provisions. It regularly obtains information on the processing of the said complaints and information.

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 with Non-Financial Declaration of the Company and the Group 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 on the proposal of the Supervisory Board for the election of the auditor, assesses the suitability, qualifications, and independence of the auditor, and, after appointment by the Annual General Meeting, engages the auditor for the audit of the Consolidated Financial Statements and the Annual Financial Statements as well as for the review of interim financial reports. In this respect, it also agrees on the fee and coordinates the key areas of the audit 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 discusses topics with the auditor even 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 identified during the audit. The Audit Committee also addresses reporting on non-financial topics in the Management Report.

Finally, the Audit Committee approves in advance permissible services that the auditors or their subsidiaries perform for Mercedes-Benz Group AG or its Group

companies and that are not directly related to the audit of the annual accounts (or the review of interim financial statements).

Transactions between the Company 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 a rule of the Supervisory Board stipulates that the approval of the plenary Supervisory Board or another committee is required.

### **Legal Affairs Committee**

The Committee is composed of six members elected by the Supervisory Board by a majority of the votes cast. As of 31 December 2022, the members of the Committee are the shareholder representatives Olaf Koch (Chairman), Liz Centoni and Dame Polly Courtice as well as the employee representatives Ergun Lümalı, Michael Häberle and Roman Romanowski. 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. As part of the agreement in principle reached in 2020 with various US authorities to terminate civil and environmental proceedings in connection with emission control systems of certain diesel vehicles, the Committee was assigned further tasks and decision-making competences with regard to the fulfilment of the obligations assumed in the agreement in principle. The said other tasks include, inter alia, the steering and monitoring of the Post Settlement Audit Teams that were set up in the context of the agreement in principle.

### **Mediation Committee**

By law, the Mediation Committee consists of the Chairman of the Supervisory Board, Dr Bernd Pischetsrieder, the Deputy Chairman of the Supervisory Board, Ergun Lümalı, 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 2022, they are Ben van Beurden for the shareholder side and Roman Zitzelsberger 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 the 2022 financial year.

## 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.

By resolution of 3 December 2020, the Supervisory Board of Mercedes-Benz Group AG set a target for the proportion of women on the Board of Management of at least 25% by 31 December 2025. Since August 2022, a legally mandated minimum participation requirement must be complied with when appointing members of the Board of Management. This requirement stipulates that at least one woman and at least one man must be a member of the Board of Management in listed companies with parity participation and more than three members on the Board of Management. Companies that are subject to the minimum proportion requirement are no longer obliged to set a target quota for the proportion of women on the board of management. Nevertheless, within the framework of the overall requirements profile for appointments to the Board of Management, the Supervisory Board has decided to go beyond the stipulations of the minimum proportion requirement and maintain the target quota for the proportion of women on the Board of Management that was set in 2020. As of 31 December 2022, three of the eight members of the Board of Management are women: Renata Jungo Brüngger, Sabine Kohleisen and Britta Seeger. The proportion of women on the Board of Management is now 37.5%, which means it exceeds the target that was set.

With 11.8% of women at the first (two women of a total of 17 executives) and 22.5% at the second level of management of Mercedes-Benz Group AG (16 women of a total of 71 executives) below the Board of Management at the time of the resolution, the Board of Management of Mercedes-Benz Group AG, by a resolution dated 25 November 2020, set a target for the proportion of women of at least 20% for the first and at least 25% for the second level below the Board of Management by

31 December 2025. As of 31 December 2022, the first level of management of Mercedes-Benz Group AG below the Board of Management consists of 13 executives, of whom one is a women, corresponding to a percentage of women of 7.6%. At the second level of management of Mercedes-Benz Group AG below the Board of Management, 17 out of a total of 50 executives are women as of 31 December 2022, corresponding to 34%.

The change in the total number of executives at the relevant management level of Mercedes-Benz Group AG between 25 November 2020 and 31 December 2022 is 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.

Based on the assumption of a total of 13 executives at management level 1 of Mercedes-Benz Group AG as of 31 December 2025, the set target quota of at least 20% results in a target of 3 women for this level. Based on the assumption of a total of 50 executives at management level 2 of Mercedes-Benz Group AG as of 31 December 2025, the set target quota of 25% results in a target of 13 women for this level.

The Supervisory Boards of listed companies with equal representation 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. At the Supervisory Board meeting on 27 April 2022, the shareholder representatives objected to the overall fulfilment with regard to the election of employee representatives to the Supervisory Board in 2022/2023.

In the Supervisory Board of Mercedes-Benz Group AG, as of 31 December 2022, 40% of the members on the shareholder side (Sari Baldauf, Liz Centoni, Dame Polly Courtice and Professor Dr Helene Svahn) are women and 60% are men. The situation on the employee side at this time is 30% women (Nadine Boguslawski, Monika Tielsch and Elke Tönjes-Werner) and 70% men. As Sari Baldauf will leave the Supervisory Board by the end of the Annual General Meeting 2023, the Supervisory Board discussed at its meeting on 16 February 2023 the specific election proposal for her succession and, on the recommendation of the Nomination Committee, resolved to propose to the 2023 Annual General Meeting that Stefan Pierer be elected to the Supervisory Board for the first time. In the event of the election of the proposed candidate, the statutory quota for women remains fulfilled both on the shareholder side and for the Supervisory Board as a whole.

In addition to Mercedes-Benz Group AG itself, other Group companies are subject to co-determination and have 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 have published them in accordance with the statutory requirements.

## Overall profiles of requirements for the composition of the Board of Management and the Supervisory Board

With regard to the composition of the Board of Management and the 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 composition of the Board of Management 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.

The profile of requirements for the Board of Management remained the same in the reporting period as in the previous year and 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 2022, the Board of Management comprises two graduate engineers, Markus Schäfer and Dr Jörg Burzer. Ola Källenius has demonstrated his technical expertise on a sustained basis since taking over the Group Research & Mercedes-Benz Cars Development department on 1 January 2017.
- On 3 December 2020, the Supervisory Board set a target for the **proportion of women** on the Board of Management of at least 25% by 31 December 2025. In August 2022, the previous statutory obligation to set a target quota for the proportion of women was replaced by a statutory minimum participation requirement of one woman (and one man) for boards of management consisting of more than three persons at listed companies with equal co-determination. Nevertheless, within the framework of the overall requirements profile for appointments to the Board of Management, the Supervisory Board has decided to go beyond the stipulations of the minimum proportion requirement and maintain the target quota for the proportion of women on the Board of Management that was set in 2020. As of 31 December 2022, three of the eight members of the Board of Management are women: Renata Jungo Brüniger, Sabine Kohleisen and Britta Seeger. The proportion of women on the Board of Management is now 37.5%, which means it exceeds the target that was set.

- 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. As of 31 December 2022, all eight members of the Board of Management fall below this standard age limit.
- In addition, attention shall be paid to a sufficient **generational mix** among the members of the Board of Management; if possible, at least three members of the Board of Management shall be 57 years of age or younger at the beginning of the relevant term of office. This applies to all members of the Board of Management in office as from 31 December 2022, with the exception of Sabine Kohleisen and Hubertus Troska.
- 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. Notwithstanding the many years of international experience of the vast majority of the members of the Board of Management, this goal had already been achieved by 31 December 2022, simply because of the international origins of Ola Källenius and Renata Jungo Brüngger and the focus of Hubertus Troska's activities in China.
- As a rule, and subject to disclosure of a deviation in the annual Declaration of Compliance with the German Corporate Governance Code, members of the Board of Management **shall not hold more than two mandates on Supervisory Boards in non-Group listed companies or comparable functions** and shall not chair a Supervisory Board of a non-Group listed company. For the purpose of the profile of requirements, mandates on Supervisory Boards in joint ventures, the performance of which is part of the departmental responsibility of a member of the Board of Management, are not considered to be comparable functions.

Of the non-Group memberships of Supervisory Boards and other Supervisory Bodies held by Hubertus Troska, only BAIC Motor Corporation Ltd. is listed on the stock exchange. With the exception of the mandate at Beijing

Foton Daimler Automotive Co., Ltd., his other mandates outside the Group are mandates in non-listed joint ventures within his departmental responsibility. In the opinion of the Supervisory Board, these mandates, as well as the mandate at Beijing Foton Daimler Automotive Co., Ltd., which is part of the Daimler Truck Group, do not pose any requirements comparable to mandates on supervisory boards of listed companies outside the Group in terms of the requirements profile. The same applies to the non-Group mandates of Markus Schäfer with the exception of the mandate at the listed Farasis Energy (Ganzhou) Co. Ltd. Markus Schäfer resigned from the latter mandate during the reporting period.

Of the non-Group memberships of Supervisory Boards and other Supervisory Bodies held by Britta Seeger, only Deutsche Lufthansa AG is listed on the stock exchange. In the opinion of the Supervisory Board, the other mandates outside the Group are mandates within the scope of her departmental responsibilities that, in terms of the profile of requirements, do not pose any demands comparable to a mandate on the Supervisory Board of a listed company outside the Group.

Renata Jungo Brüngger and Harald Wilhelm each hold two mandates on Supervisory Boards in non-Group listed companies, including Daimler Truck Holding AG. They are also both members of the Supervisory Board of the non-listed Daimler Truck AG, a wholly owned subsidiary of Daimler Truck Holding AG. The shareholder representatives on the Supervisory Boards of Daimler Truck Holding AG and Daimler Truck AG are identical. Against this background, in the opinion of the Supervisory Board, membership of the Supervisory Board of Daimler Truck AG does not impose any additional requirements comparable to the mandate at Daimler Truck Holding AG in terms of the profile of requirements. A deviation from the recommendation of the German Corporate Governance Code that members of boards of management of listed companies should not hold more than two mandates on supervisory boards in non-group listed companies or comparable functions and should not chair a supervisory board is stated and justified in the 2022 Declaration of Compliance, notwithstanding the assessments of the Supervisory Board for the purposes of the profile of requirements.

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 the specific qualification requirements and the requirements profile into account, it conducts interviews with them, and 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 department 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 necessary to properly provide qualified supervision and advice to the Board of Management. The Supervisory Board has updated and sharpened its profile of requirements in line with the recommendations contained in the most recent version of the German Corporate Governance Code, among other things with regard to the recommendation that sustainability expertise be fully incorporated into the competence profile for the Supervisory Board and that the status of implementation of this competence profile in the form of a qualification matrix be disclosed in the Declaration on Corporate Governance.

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 the election proposal to the Annual General Meeting shall always be based on the interests of the Company, taking any and all circumstances of the individual case into account.

The updated profile of requirements for the Supervisory Board includes 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. On 31 December 2022, 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. The quota is to be met by the Supervisory Board as a whole, unless the representatives of the shareholders or the representatives of the employees object to the overall fulfilment. If such an objection is made, then the minimum proportion

for the next election in the given case is to be fulfilled separately by the shareholder side and the employee side. As of 31 December 2022, there are four women on the side of the shareholders and three women on the side of the employees. This puts the proportion of women on the side of the shareholders at 40% and on the side of the employees at 30%. The proportion of women for the Supervisory Board as a whole is 35%.

- **Generational mix:** In addition, attention shall be paid to a sufficient generational mix amongst the members of the Supervisory Board. 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 Bernd Pischetsrieder, Dame Polly Courtice and Marco Gobetti, all other members (17 members, or more than 30%) of the Supervisory Board in office on 31 December 2022 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 (non-German citizenship) or have international experience. All shareholder representatives in office on 31 December 2022 have international experience. Moreover, the target has already been exceeded simply because of the international background of six shareholder representatives — Sari Baldauf, Ben van Beurden, Liz Centoni, Dame Polly Courtice, Marco Gobetti 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 2022, the members of the Supervisory Board display a broad range of educational and professional backgrounds. Dr Bernd Pischetsrieder, Ben van Beurden, Dr Martin Bruder Müller, Liz Centoni, Prof. Dr Helene Svahn, Dr Frank Weber and Roman Zitzelsberger have university degrees in mechanical engineering, chemistry, biotechnology and/or electrical engineering. Other employee representatives have completed relevant professional training. On the shareholder side, Timotheus Höttges, Olaf Koch and Sari Baldauf have university degrees in economics, and Michael Bettag on the employee side also holds such a degree. The diverse range of educational and

professional backgrounds is rounded out on the shareholder side by Dame Polly Courtice and Marco Gobetti, who are proven experts in the areas of sustainability and the luxury goods segment, respectively, while the employee side of the Supervisory Board includes a lawyer, a social economist and a process manager.

– **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 even 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 or 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 Ben van Beurden, Dr Martin Brudermüller, Liz Centoni, and Timotheus Höttges in particular do not have any such material business 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. 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.

No other mandates formerly held by Dr Bernd Pischetsrieder could be seen during the reporting period as constituting a material and not merely temporary conflict of interest.

Sari Baldauf has been a member of the Supervisory Board for more than twelve years. Nevertheless, the shareholder representatives on the Supervisory Board are convinced that she has always maintained the necessary critical distance from the Board of Management of Mercedes-Benz Group AG during the reporting period, as well as the required clear, alert and critical view in her supervision of the Board of Management. Her conduct in office demonstrates that she fulfils her office as a member of the Supervisory Board and the Nomination Committee in an exemplary manner. In addition, her many years of experience and expertise are essential for the Supervisory Board to fulfil its role as a critical overseer and at the same time an authoritative and trustworthy advisor to the Board of Management.

As a result, according to the assessment of the shareholders' side, at 31 December 2022, all shareholder representatives on the Supervisory Board were to be deemed to be independent, namely Dr Bernd

Pischetsrieder, Sari Baldauf, Ben van Beurden, Dr Martin Brudermüller, Liz Centoni, Dame Polly Courtice, Marco Gobetti, Timotheus Höttges, Olaf Koch 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 (re-) election shall be proposed for election to the Supervisory Board for a full term of office. 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 2022 exceeded the standard age limit at the time of their election.
- **Expertise and experience**
  - **Two finance 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 finance experts as members — Olaf Koch and Timotheus Höttges — whose current or past relevant duties at (listed) companies, as well as continuing education 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 finance 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
- Digitalization/IT (e.g. software, processes, data security)
- Transformation (e.g. products, working models)
- Human resources (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)
- Industry (e.g. production, procurement)
- Innovation, research and development, technology
- Sales/brands
- Capital markets

The specification examples in the parentheses for the areas shown above are not complete; in addition, expertise does not have to be demonstrated for every specified item in the parentheses for each area.

On the basis of the qualification matrix (Figure C.01), the Supervisory Board as a whole in its current composition 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 Martin Bruder Müller in particular possess special expertise, as do the two finance experts Olaf Koch and Timotheus Höttges and the other members of the Audit Committee — Ergun Lümali and Michael Brecht.

With regard to **strategy**, Dr Bernd Pischetsrieder in particular has proven sector-specific strategy expertise as a result of his previous professional experience. In terms of the corporate strategy that is geared towards sustainability and the luxury vehicle segment, the ESG expertise of Dame Polly Courtice, as well as Marco Gobetti's experience in the luxury-goods industry, deserve special mention. In addition, Roman Zitzelsberger and Ergun Lümali in particular have extensive experience with strategy issues — Roman Zitzelsberger due to the mandates he has held in various supervisory boards and Ergun Lümali due to the many years he has served on the Company's Supervisory Board.

In the area of **digitalization/IT**, Liz Centoni and Timotheus Höttges, among others, are able to contribute expertise and experience 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**. Both continue to push ahead with the process of transformation at the companies where they serve as chairman of the board of management. 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.

Sari Baldauf in particular possesses sound knowledge of **human resources** due to her extensive previous professional experience in this area, and she has contributed her knowledge as a Board member, especially as a member of the Nomination Committee. Dr Frank Weber also possesses expertise in the area of human resources, as he has served for many years as Chairman of the Management Representative Committee at the Mercedes-Benz Group. The knowledge and experience of the IG Metall (German Metalworkers' Union) representatives Nadine Boguslawski, Roman Romanowski and Roman Zitzelsberger in the area of human resources has also proved valuable for the work conducted by 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 extensively with sustainability issues (in particular those relating to climate protection and decarbonization) at the companies in which they serve as chairman of the board of management. Dame Polly Courtice and in particular 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 Roman Romanowski contribute to the Supervisory Board the expertise they have gained throughout their professional careers.

In the area of **industry**, Dr Bernd Pischetsrieder in particular has extensive sector-specific knowledge that he has gained as a member of the Supervisory Board as well as through the many years he served in executive positions at other companies in the automotive industry. Dr Martin Bruder Müller's many years of experience in the chemical industry also deserves special mention here. 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.

With regard to **innovation, research and development**, the proven expertise of Prof. 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.

Dr Bernd Pischetsrieder possesses extensive sector-specific knowledge in the area of **sales/brands**, and Marco Gobetti contributes his extensive brand expertise to the work conducted by the Supervisory Board. Michael Bettag has many years of experience in sales.

The area of **capital markets** is extremely well covered by Dr Bernd Pischetsrieder, 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 and Michael Brecht, among others, also possess expertise with regard to capital markets after having served as members of the Supervisory Board for many years.

## C.01

	<b>Dr Bernd Pischetsrieder</b>	<b>Sari Baldauf</b>	<b>Ben van Beurden</b>	<b>Dr Martin Bruder Müller</b>	<b>Liz Centoni</b>
<b>Tenure</b>					
Joined board in	2014	2008	2021	2021	2021
Term limit not breached	✓	✓	✓	✓	✓
<b>Diversity</b>					
Gender	Male	Female	Male	Male	Female
Year of birth	1948	1955	1958	1961	1964
Nationality	German	Finnish	Dutch	German	US
International experience <sup>1</sup>	✓	✓	✓	✓	✓
Educational and professional background	Mechanical engineering	Business administration	Chemical engineering	Chemistry	Chemistry /MBA/ software engineering
<b>Formal suitability</b>					
Independence <sup>2</sup>	✓	✓	✓	✓	✓
Age limit not breached	✓	✓	✓	✓	✓
<b>Competencies/experience</b>					
<b>Finance</b> (e.g. accounting, controlling, risk management, audit, M&A)					
	✓	✓	✓	✓	✓
<b>Strategy</b>					
	✓	✓	✓	✓	✓
<b>Digitalization/IT</b> (e.g. software, processes, data protection)					
		✓	✓	✓	✓
<b>Transformation</b> (e.g. product, working models)					
	✓	✓	✓	✓	✓
<b>HR</b> (e.g. Personnel management, employee matters, working environment)					
	✓	✓	✓	✓	✓
<b>Sustainability/ESG<sup>4</sup></b>					
	✓	✓	✓	✓	✓
<b>Industry</b> (e.g. production, procurement)					
	✓		✓	✓	
<b>Innovation, research &amp; development, technology</b>					
	✓	✓	✓	✓	✓
<b>Sales/brand</b>					
	✓				✓
<b>Capital market</b>					
	✓	✓	✓	✓	

1 Only relevant for shareholder representatives.

2 Within the meaning of the DCGK (German Corporate Governance Code); only relevant for shareholder representatives.

4 Especially: environment: green production and logistics, climate and decarbonization strategy; social: People Plan, sustainable supply chains; governance: sustainable corporate governance, sustainable finance.

	<b>Dame Polly Courtice</b>	<b>Marco Gobbetti</b>	<b>Timotheus Höttges</b>	<b>Olaf Koch</b>	<b>Prof. Dr Helene Svahn</b>
<b>Tenure</b>					
Joined board in	2022	2022	2020	2021	2021
Term limit not breached	✓	✓	✓	✓	✓
<b>Diversity</b>					
Gender	Female	Male	Male	Male	Female
Year of birth	1952	1958	1962	1970	1974
Nationality	British / South African	Italian	German	German	Swedish
International experience <sup>1</sup>	✓	✓	✓	✓	✓
Educational and professional background	History/marketing/sustainability	International management/sales	Business administration / MBA	Business administration	Biotechnology / electrical engineering
<b>Formal suitability</b>					
Independence <sup>2</sup>	✓	✓	✓	✓	✓
Age limit not breached	✓	✓	✓	✓	✓
<b>Competencies/experience</b>					
<b>Finance</b> (e.g. accounting, controlling, risk management, audit, M&A)					
		✓	✓ <sup>3</sup>	✓ <sup>3</sup>	✓
<b>Strategy</b>	✓	✓	✓	✓	✓
<b>Digitalization/IT</b> (e.g. software, processes, data protection)					
			✓	✓	
<b>Transformation</b> (e.g. product, working models)					
	✓	✓	✓	✓	✓
<b>HR</b> (e.g. Personnel management, employee matters, working environment)					
	✓	✓	✓	✓	✓
<b>Sustainability/ESG<sup>4</sup></b>					
	✓	✓	✓	✓	✓
<b>Industry</b> (e.g. production, procurement)					
					✓
<b>Innovation, research &amp; development, technology</b>					
	✓	✓	✓	✓	✓
<b>Sales/brand</b>					
	✓	✓	✓	✓	
<b>Capital market</b>					
		✓	✓	✓	✓

1 Only relevant for shareholder representatives.

2 Within the meaning of the German Corporate Governance Code; only relevant for shareholder representatives.

3 Finance expert in accordance with Section 100 Subsection 5 of the German Stock Corporation Act (AktG), Recommendation D.3 DC (German Corporate Governance Code).

4 Especially: environment: green production and logistics, climate and decarbonization strategy; social: people plan, sustainable supply chains; governance: sustainable corporate governance, sustainable finance.

	<b>Ergun Lümali</b>	<b>Michael Bettag</b>	<b>Nadine Boguslawski</b>	<b>Michael Brecht</b>	<b>Michael Häberle</b>
<b>Tenure</b>					
Joined board in	2014	2015	2021	2012	2018
Term limit not breached	✓	✓	✓	✓	✓
<b>Diversity</b>					
Gender	Male	Male	Female	Male	Male
Year of birth	1962	1961	1977	1965	1969
Nationality	German	German	German	German	German
Educational and professional background	Construction mechanics / compensation and service policy	Business management	Electronics engineer	Automotive fitter / management	Mechanical engineering / business administration
<b>Formal suitability</b>					
Age limit not breached	✓	✓	✓	✓	✓
<b>Competencies/experience</b>					
<b>Finance</b> (e.g. accounting, controlling, risk management, audit, M&A)					
	✓	✓		✓	✓
<b>Strategy</b>					
	✓	✓	✓	✓	✓
<b>Digitalization/IT</b> (e.g. software, processes, data protection)					
<b>Transformation</b> (e.g. product, working models)					
	✓	✓	✓	✓	✓
<b>HR</b> (e.g. Personnel management, employee matters, working environment)					
	✓	✓	✓	✓	✓
<b>Sustainability/ESG<sup>4</sup></b>					
	✓	✓	✓	✓	✓
<b>Industry</b> (e.g. production, procurement)					
	✓		✓	✓	✓
<b>Innovation, research &amp; development, technology</b>					
	✓		✓		✓
<b>Sales/brand</b>					
		✓		✓	
<b>Capital market</b>					
	✓			✓	

4 Especially: environment: green production and logistics, climate and decarbonization strategy; social: people plan, sustainable supply chains; governance: sustainable corporate governance, sustainable finance.

	<b>Roman Romanowski</b>	<b>Monika Tielsch</b>	<b>Elke Tøjnes-Werner</b>	<b>Dr Frank Weber</b>	<b>Roman Zitzelsberger</b>
<b>Tenure</b>					
Joined board in	2021	2021	2013	2013	2015
Term limit not breached	✓	✓	✓	✓	✓
<b>Diversity</b>					
Gender	Male	Female	Female	Male	Male
Year of birth	1974	1967	1963	1961	1966
Nationality	German	German	German	German	German
Educational and professional background	Lawyer	Socioeconomics / mediation	Process manager	Mechanical engineering / production	Mechanical engineering / management
<b>Formal suitability</b>					
Age limit not breached	✓	✓	✓	✓	✓
<b>Competencies/experience</b>					
<b>Finance</b> (e.g. accounting, controlling, risk management, audit, M&A)					
	✓			✓	✓
<b>Strategy</b>					
	✓	✓	✓	✓	✓
<b>Digitalization/IT</b> (e.g. software, processes, data protection)					
	✓	✓	✓	✓	
<b>Transformation</b> (e.g. product, working models)					
	✓	✓	✓	✓	✓
<b>HR</b> (e.g. Personnel management, employee matters, working environment)					
	✓	✓	✓	✓	✓
<b>Sustainability/ESG<sup>4</sup></b>					
	✓	✓	✓	✓	✓
<b>Industry</b> (e.g. production, procurement)					
		✓	✓	✓	✓
<b>Innovation, research &amp; development, technology</b>					
		✓		✓	✓
<b>Sales/brand</b>					
		✓			
<b>Capital market</b>					
					✓

<sup>4</sup> Especially: environment: green production and logistics, climate and decarbonization strategy; social: people plan, sustainable supply chains; governance: sustainable corporate governance, sustainable finance.

Proposals by the Supervisory Board for the election of shareholder representatives by the Annual General Meeting, for which the Nomination Committee makes recommendations, shall take the aspects outlined above into account and aim to fill 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, hold structured discussions with them and, whilst 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 Annual General Meeting shall always be based on the interests of the Company, taking any and all circumstances of the individual case into account.

Stefan Pierer who will be proposed to the General Meeting 2023 for election for the first time meets and strengthens the Supervisory Board's requirement profile. The Supervisory Board is convinced that Stefan Pierer will strongly support the Company's transformation with his in-depth industry know-how and his expertise in product and brand development.

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 Annual 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 Annual 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 relies on independent external recruitment consultancy services.

## Shareholders and Annual General Meeting

The shareholders exercise their membership rights, in particular their voting rights, at the Annual General Meeting. Each share of Mercedes-Benz Group AG entitles the holder to one vote. Documents and information about the Annual General Meeting are available at [🌐 group.mercedes-benz.com/am](https://group.mercedes-benz.com/am).

As part of our comprehensive investor relations and public relations work, we are in close contact with our shareholders. We inform shareholders, financial analysts, shareholder associations, the media, and the interested public comprehensively and regularly about the situation of the Company and inform them immediately of any significant changes in the business. The Chairman of the Supervisory Board is also prepared, within reason, to hold discussions with investors on topics specific to the Supervisory Board.

In addition to other communication channels, we make intensive use of the website of the Company for our investor relations work. All key information published in the 2022 financial year, including annual, quarterly and half-yearly 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, are available at [🌐 group.mercedes-benz.com/investors](https://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 Annual General Meeting, the annual press conference and analysts' conferences are announced well in advance in the financial calendar.