



# Paris Climate Agreement in the focus of value creation at Mercedes-Benz

Mercedes-Benz



As an actor in the transport sector, Mercedes-Benz supports the Paris Climate Agreement: The Group is convinced of the goals of the agreement and has made climate protection a core element of its business strategy. The aim is to make the entire new vehicle fleet net carbon-neutral across all stages of the value chain from 2039.

On the road to an all-electric future of mobility, with "[Ambition 2039](#)" Mercedes-Benz is pursuing a holistic approach. The objective is to achieve a net CO<sub>2</sub>-neutral new vehicle fleet from 2039 across the [entire value chain](#) and lifecycle - eleven years earlier than required by EU legislation. Mercedes-Benz is taking the necessary steps to go all-electric. Customers and market conditions will set the pace of the transformation. The company plans to be in a position to cater different customer needs, whether it is an all-electric drivetrain or a combustion engine, until well into the 2030s. Mercedes-Benz is striving to reduce CO<sub>2</sub> emissions in supply chains, to enable a resource-efficient logistics concept and to ensure improved framework conditions through strategic partnerships and political advocacy.

Mercedes-Benz thus supports the efforts of policymakers to protect the climate and is making its contribution to reducing CO<sub>2</sub> emissions as part of its sustainable business strategy. At the same time, the Group is convinced that that the climate targets can only be achieved through collective action and dialogue based on partnership between politics, business, and civil society. As a company, Mercedes-Benz operates within the framework of the rules set by politics. In order to achieve the climate targets, it is therefore also up to policymakers to set framework conditions, for example in the expansion of a nationwide charging infrastructure or in the promotion of renewable energies.

- **Strategic partnerships**

To strengthen its commitment to climate protection, Mercedes-Benz maintains partnerships with international climate protection initiatives, among others. In the "Transform to Net Zero" initiative, which Mercedes-Benz joined as a founding member in 2020, renowned companies from various industries and countries of origin pool their expertise. The common goal is to improve the framework conditions for decarbonising economy and society worldwide. In October 2020, Mercedes-Benz joined "The Climate Pledge" and committed itself to meeting the targets of the Paris Climate Agreement ten years earlier than required.

- **Mercedes-Benz on the electric course**

By signing the "Declaration on Zero Emission Cars and Vans" at the United Nations COP26 Conference, Mercedes-Benz joined other companies, cities and governments in committing to an as far as possible CO<sub>2</sub>-neutral transport and accelerating

electrification. Mercedes-Benz is taking the necessary steps to go all-electric. Customers and market conditions will set the pace of the transformation. Mercedes-Benz Cars expects the xEV share of new car sales to reach up to 50% in the second half of the decade. At Mercedes-Benz Vans, the share of electric vehicles is expected to increase to more than 50% by 2030.

- **Reducing CO<sub>2</sub> emissions in supply chains**

Mercedes-Benz is implementing various projects and measures to avoid and reduce CO<sub>2</sub> emissions in the [supply chains](#) for services and for production and non-production materials. From 2039, we aim to achieve net carbon-neutrality for our new vehicle fleet across all stages of the value chain.

- **Resource-efficient logistics concept**

A resource-efficient logistics concept is another important step on the way to a net carbon-neutral vehicle fleet and its production. A milestone for this was the opening of the Automotive Logistics Center for Mercedes-Benz in Bremen in February 2022. The Center for Battery Logistics is the hub of the logistics concept for the battery systems of the new all-electric Mercedes EQ model EQE.

- **Align supplier network with decarbonisation targets**

In general, the supplier network accounts for a considerable share of value creation and is therefore of crucial importance for the decarbonisation targets. A large proportion of suppliers, who account for almost 90 percent of the annual purchasing volume, have already signed an ambition letter. With it, they declare their willingness to supply only parts produced in a net carbon-neutral manner in the future. From 2039 at the latest, only production materials that are net carbon-neutral in all stages of the value chain will be allowed to pass through the Mercedes-Benz factory gates. If a supplier does not sign the ambition letter, it will not be considered for new contracts.