

Renewable energies as an essential factor for the transformation of the transport sector



Increasing the share of renewable energies plays an essential role when it comes to reducing greenhouse gas emissions in the transport sector. Green electricity, i.e. electricity from renewable sources, is an important factor in the life cycle of an electric car to decrease CO₂ emissions.

An all-electric vehicle fleet – with this vision, Mercedes-Benz is committed to climate protection and air pollution control. It is also a core element of the sustainable business strategy "Ambition 2039", with which we are pursuing the goal of being <u>net carbon-neutral along the entire value chain</u> in the new vehicle fleet from 2039. Renewable energies make a significant contribution to this. In concrete terms, this involves net carbon-neutral production in the Mercedes-Benz Cars own production plants worldwide and along the entire value chain, as well as net carbon-neutrality of new vehicles in their use phase.

Accelerating the transformation of the energy sector

We are therefore in favour of regulations that accelerate the expansion of renewable energies and enable the electrification of transport with growing shares of green electricity. The expansion of renewable energies must continue to gather pace. The Group therefore welcomes all political activities worldwide that promote the rapid transformation of the energy sector. The regulations must be harmonized across countries and states and accelerated support must be made possible by the federal government, the states or the European Union (EU), e.g. in the form of loans.

Commitment to ambitious EU targets

The EU Emissions Trading Directive - as the basis for the EU Emissions Trading System (ETS) - and the Renewable Energy Directive (RED) play a central role in European climate policy for the decarbonisation and expansion of renewable energies. The amendment of ETS and RED has been completed, both provisions have entered into force. In principle, we welcome the thrust with regard to the expansion of renewable energies (RED) and the CO2 reduction targets (ETS), because electrification of transport without an increasing share of green electricity would be counterproductive.

Mercedes-Benz already produces net carbon-neutral in its own plants worldwide and purchases electricity in Germany that comes exclusively from renewable sources – sun, wind and hydroelectric power. A green power supply contract ensures the purchase of electricity from renewable energies at all times.

In addition, the Group plans to cover more than 70 percent of its energy needs – including not only electricity, but also gas and district heating, for example – in the own Mercedes-Benz production plants worldwide with renewable energies by 2030. This goal is to be achieved through the expansion of solar and wind energy at the company's own sites and by concluding further corresponding power purchase agreements. Already by 2025, we will make further investments to



advance the expansion and installation of photovoltaic (PV) systems at our sites worldwide. The mix will be supplemented by electricity from hydropower plants.

