

Flexible fleet regulations as a regulatory component on the road to decarbonization of transport



Mercedes-Benz

CO₂ and fuel consumption regulations for fleets are regulatory instruments that make an important contribution to reducing CO₂ emissions from new vehicles. They provide the manufacturer with a plannable regulatory framework for the new vehicle fleet and thus for the successive switch to vehicles with low CO₂ emissions when driving. Mercedes-Benz regards flexible fleet legislation in conjunction with coherent and comprehensive political measures to shape net carbon-neutral* mobility as purposeful.

The implementation of the CO_2 new car fleet legislation needs to be supported by accompanying policy measures:

• Development of charging infrastructure and availability of affordable renewable energy

Effective and ambitious fleet regulations must be complemented by coherent political measures to accelerate the development of <u>charging infrastructure</u>. Customers must be able to charge their electric vehicles conveniently and favourably in everyday life. Therefore, the expansion of renewable energies must be promoted in a targeted manner so that the use of electric vehicles is holistically climate friendly and affordable.

• Tax and non-tax incentives to accelerate the electric ramp-up

Financial incentives for the purchase of new technology have a positive effect on customers' purchasing decisions. In view of an accelerated <u>ramp-up of electromobility</u> in Germany, battery electric vehicles should continue to be subsidised for purchase and use compared to conventionally powered vehicles.

• Overall, an ecosystem consisting of charging infrastructure, charging current price and incentives that promote electric driving is required As long as there is no such ecosystem for electromobility, a longer-term transformation is to be assumed. This results in a need for more regulatory flexibility depending on the BEV market development.



• Integration of the transport sector into emissions trading

Another measure in connection with fleet legislation is the gradual integration of the transport sector into <u>emissions trading</u>. In our view, this should be the leading regulatory instrument for the decarbonisation of transport in the future, as an economically optimized solution across individual sectors can be achieved with this instrument.

*Net carbon-neutral means that carbon emissions that are not avoided or reduced at Mercedes-Benz are compensated for by certified offsetting projects.

