Mercedes-Benz Group

CLIMATE TRANSITION ACTION PLAN 2026

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Preface

Sustainability and climate protection are key pillars of the business strategy of the Mercedes-Benz Group. Against this backdrop, the Mercedes-Benz Group is making targeted adjustments to its product portfolio in order to make an effective contribution to reducing CO_2 emissions and to drive forward the transition to an increasingly electric vehicle fleet. The Group is preparing its production network to meet demand and be ready to capture the tipping point into an all-electric era. The Group is doing so, in full awareness that market conditions, infrastructure and consumer behaviour influence the course of the transformation.

The Mercedes-Benz Group hereby publishes its detailed implementation plan for decarbonisation. The Climate Transition Action Plan outlines the steps that the Mercedes-Benz Group is taking to achieve its ambitions throughout the entire product life cycle. The focus here is on the transformation of products, processes and technologies, with the aim of effectively preventing and reducing CO_2 emissions.

The Mercedes-Benz Group remains committed to driving forward the transformation. With its Ambition 2039[1], the Mercedes-Benz Group has set out a reduction path: The ambition is to reduce its CO_2 emissions by 2039 by 90 % in own production, by 80 % in vehicle use phase – as market conditions allow – and overall by 70 % across all relevant value chain stages compared to 2019[2]. This clarification of the CO_2 reduction path increases the transparency of the decarbonisation of the Mercedes-Benz Group. By 2049 at the latest, the Mercedes-Benz Group intends to achieve net zero[3].

The Mercedes-Benz Group is committed to a high degree of transparency. The Climate Transition Action Plan provides a comprehensive overview of the decarbonisation of the relevant stages of the vehicle value chain. The implementation plan is also regularly audited by a third party expert. The results of this audit will be published as a supplement.

Many further details of planned and already implemented measures, goals and initiatives can be found in the following sources:

Mercedes-Benz Group Annual Report 2025 in the respective current version
Mercedes-Benz Group website

[1] Ambition 2039 has been updated to take account of new regulatory requirements. The new version focuses on the underlying reduction path. For further information on the underlying accounting of emissions, see Chapter 4.1, Calculation of green house gas emissions.

[2] In addition, the Mercedes-Benz Group supports qualified climate change mitigation projects that meet recognised standards.

[3] Net zero means that the CO_2 emissions across all relevant value chain stages will be reduced by at least 90 % compared to 2019. Remaining CO_2 emissions (< 10 %) will be neutralised permanently.

The transformation

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The Mercedes-Benz Group has confirmed decarbonisation as a core strategic element and one of the most important focus areas of its sustainable business strategy. The ambition of Mercedes-Benz Group is to reduce its CO_2 emissions by 2039 by 90 % in own production, by 80 % in vehicle use phase – as market conditions allow – and overall by 70 % across all relevant value chain stages compared to 2019[4]. By 2049 at the latest, the Mercedes-Benz Group intends to achieve net zero[5]. As a player in the transport sector, the Mercedes-Benz Group supports the Paris Climate Agreement. Ambition 2039 contributes to the Agreement's objectives and supports the transition to a residual level of CO_2 emissions that is compatible with a 1.5°C path.

The transformation is a strategic priority for the Mercedes-Benz Group. It requires the further development of the Group's business activities and shapes its future direction. The aim is to shape the transformation of the automotive industry and tailor products and services accordingly. The electrification of the product portfolio is the key strategic lever in this regard.

Mercedes-Benz Cars and Mercedes-Benz Vans are paving the way for this transformation by offering all-electric vehicles in every segment. The Mercedes-Benz Group actively supports its customers in switching to locally emission-free mobility through electric vehicles and the extension of charging infrastructure and charging services with electricity from renewable energy. Mercedes-Benz Cars and Mercedes-Benz Vans are prepared for all market scenarios to cater to different customer needs, whether it's an all-electric drivetrain or an electrified or a high-tech combustion engine. To this end, production has been set up to be flexible in terms of drive systems. To further develop its product portfolio, the Mercedes-Benz Group utilizes synergies between new and existing model series. At the same time, the Group takes climate protection into account in all life cycle phases of its vehicles – from the supply chain and its own production to the use and disposal of the vehicles.

[4] In addition, the Mercedes-Benz Group supports qualified climate change mitigation projects that meet recognised standards.

[5] Net zero means that the CO_2 emissions across all relevant value chain stages will be reduced by at least 90 % compared to 2019. Remaining CO_2 emissions (< 10 %) will be neutralised permanently.

1.1 CO_2 emissions along the value chain

The Mercedes-Benz Group systematically analyses the resulting CO_2 emissions and other environmental impacts along its entire value chain. The Group regards the supply chain, production, logistics, the use phase, and the dismantling and treatment of vehicles as relevant value chain stages[6]. For the entire life cycle of the Mercedes-Benz Group's global fleet, the average CO_2 figure in 2025 was 49.3 tonnes per vehicle in the relevant value chain stages. In 2019, the average CO_2 emissions of the Mercedes-Benz Group fleet was 53.8 tonnes per vehicle in the relevant value chain stages. As a result, the Mercedes-Benz Group already reduced its CO_2 emissions per vehicle by around 8 per cent by 2025, compared to 2019.

CO_2 emissions of the Mercedes-Benz Group in the relevant value chain stages (in t CO_2/vehicle)[7]

	SUPPLY CHAIN	PRODUCTION	LOGISTICS	USE PHASE	END-OF-LIFE	TOTAL
Mercedes-Benz Group*						
2019	9.7	0.7	0.8	42.2	0.4	53.8
2025	**11.1**	**0.3**	**0.8**	**36.7**	**0.4**	**49.3**
Mercedes-Benz Cars						
2025	**11.1**	**0.2**	**0.9**	**34.1**	**0.4**	**46.7**
Mercedes-Benz Vans						
2025	**10.4**	**0.3**	**0.7**	**49.2**	**0.5**	**61.1**
Scope	**Scope 3:** Category 3.1 & 3.10	**Scope 1 and 2:** Mercedes-Benz Production	**Scope 3:** Category 3.4	**Scope 3:** Category 3.11	**Scope 3:** Category 3.12	**Total emissions** value chain

* The Mercedes-Benz Group's CO_2 emissions include the CO_2 emissions of Mercedes-Benz Cars and Mercedes-Benz Vans.

[6] For further information, see Chapter 4.1 Calculation of greenhouse gas emissions.

[7] The methodology and underlying assumptions are described in the chapter entitled "Calculation of greenhouse gas emissions" and in the Mercedes-Benz Group's 2025 Annual Report, in the chapter entitled "Gross greenhouse gas emissions" (from page 140), in the respective current version.

1.2 Ambitions and levers for the decarbonisation of the Mercedes-Benz Group

By 2039, CO_2 emissions are to be reduced by 90 % in own production, by 80 % in vehicle use phase – as market conditions allow – and overall by 70 % across all relevant value chain stages compared to 2019[8]. By 2049 at the latest, the Mercedes-Benz Group intends to achieve net zero[9]. In order to achieve its climate-related ambitions, the Mercedes-Benz Group has identified the electrification of its product range, as well as the decarbonisation of its supply chain, logistics and production, as levers and has planned corresponding measures to implement these.

73 %[10] of the Mercedes-Benz Group's Scope 3 emissions reported for 2025 originate during the use phase. This covers fuel and electricity production (well-to-tank) as well as vehicle operation (tank-to-wheel). The Mercedes-Benz Group believes that multiple drivetrain technologies accelerate market acceptance and achieve decarbonisation targets in real-world conditions, and that technology neutrality should be the core regulatory principle, safeguarding that all technologies – from all-electric vehicles to (plug-in) hybrids, range extenders, highly efficient internal-combustion-engine (ICE) vehicles, and decarbonised fuels – can contribute to decarbonization. The Mercedes-Benz Group's focus is on the electrification of its vehicle fleet. In addition, there is a focus on optimising vehicle efficiency and on charging using green electricity.

In 2025, the supply chain accounts for around 22 %[10] of Scope 3 emissions that provide the Mercedes-Benz Group with goods and services. To reduce these emissions, as part of the decarbonisation of the supply chain, the Group is focusing on the procurement of CO_2-reduced production materials.

[8] In addition, the Mercedes-Benz Group supports qualified climate change mitigation projects that meet recognised standards.

[9] Net zero means that CO_2 emissions across all relevant value chain stages will be reduced by at least 90 % compared to 2019. Remaining CO_2 emissions (< 10 %) will be neutralised permanently.

[10] The percentages relate to greenhouse gas emissions at Group level, as reported in the Mercedes-Benz Group's 2025 Annual Report in the chapter on "Gross greenhouse gas emissions" (from page 140) in the respective current version.

In production (Scope 1 and Scope 2), the Group obtains 100 %[11] green electricity and is committed to the further expansion of renewable energies. It also focuses on the decarbonisation of the heat supply and the optimisation of energy efficiency at its own locations. In transport logistics, the Group focuses on optimising transport networks and processes, ensuring an efficient mix of transport modes and using CO_2-reduced energy carriers in order to continuously reduce transport emissions.

As part of the further development of Ambition 2039, the Mercedes-Benz Group has defined ambitions for all relevant value chain stages, as shown in the figure below. A detailed description of the individual value chain stages and the associated measures is provided in the following chapters.

Mercedes-Benz Group's ambitions for decarbonising the relevant value chain stages (in t CO_2/vehicle)[12]

		SUPPLY CHAIN	PRODUCTION	LOGISTICS	USE PHASE	END-OF-LIFE	TOTAL
2019 Mercedes-Benz Group		100 %	100 %	100 %	100 %	100 %	**100 %**
►	**2025**	+ 14 %*	- 57 %*	-	- 13 %*	-	**- 8 %**
►	**2039**	- 20 %* (- 60 % vs. No-Action scenario**)	- 90 %*	- 45 %*	- 80 %*	- 75 %*	**- 70 %**
►	**2049**						**Net Zero (- 90 %)**
	Scope	**Scope 3:** Category 3.1 & 3.10	**Scope 1 and 2:** Mercedes-Benz Production	**Scope 3:** Category 3.4	**Scope 3:** Category 3.11	**Scope 3:** Category 3.12	**Total emissions** value chain

* Percentage changes within the considered value chain stages compared to 2019.
** Estimated impact of planned decarbonisation measures in 2039 compared to a scenario without their implementation.

[11] The Mercedes-Benz Group verifies this for every electricity contract worldwide through certificates of origin.
[12] For further information, see Chapter 4.1 Calculation of greenhouse gas emissions.

1.3 Steering and organisation

The Mercedes-Benz Group acts on the basis of the sustainable business strategy adopted by the Board of Management of the Mercedes-Benz Group with the approval of the Supervisory Board. The strategic focus on sustainability issues is reviewed on a regular basis. This process takes into account the perspectives of all relevant stakeholder groups, as well as macro trends, a materiality analysis and a benchmark analysis. The Group has embedded the strategic focus areas of decarbonisation, resource use and circular economy, people, human rights, digital trust and traffic safety into its business practices.

The sustainable business strategy is reflected in the organisational structure of the Mercedes-Benz Group: Sustainability and climate protection are an essential part of all business functions, whether research and development, purchasing, production, finance or other functions. Representatives of these specialist functions meet regularly in central committees that ensure the implementation and further development of the sustainable business strategy.

The Mercedes-Benz Group regularly carries out a materiality assessment in accordance with the requirements of the CSRD and ESRS in order to determine materiality aspects and the impacts of its business activities on the environment and society as well as associated sustainability-related risks and opportunities for the Group. As part of its materiality assessment, the Mercedes-Benz Group analyses the impacts on climate change, taking into account its activities and plans. In doing so, it considers its greenhouse gas emissions along the value chain. The Group also regularly carries out a climate-specific scenario analysis to better understand and assess the risks and opportunities along the value chain.

Further information on the material impacts, risks and opportunities, as well as the results of the climate scenario analysis:

Mercedes-Benz Group Annual Report 2025, chapter on the process for materiality assessment (from page 113), in the respective current version

The implementation of the sustainable business strategy and decarbonisation requires investments along the entire value chain. The Mercedes-Benz Group has already invested a double-digit billion sum in electromobility and will continue to invest in new drive-flexible and electric vehicle architectures and batteries. In addition, the Group plans to make investments, in particular in the transformation of the supply chain, the decarbonisation of production and transport logistics, and the expansion of the charging infrastructure.

The proportion of taxonomy-aligned investments of the Group was 29.4 % – virtually unchanged from the previous year (2024: 30.1 %). Information on the Mercedes-Benz Group's sustainable, taxonomy-aligned investments is disclosed in "EU taxonomy" in the chapter "Reporting on taxonomy-aligned proportions of environmentally sustainable economic activities" in the 2025 Annual Report under "Taxonomy-alignment of capital expenditure".

Mercedes-Benz Group Annual Report 2025, chapter on EU Taxonomy (from page 166), in the respective current version

Implementing the transformation

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2.1 Use phase

The Mercedes-Benz Group believes that multiple drivetrain technologies accelerate market acceptance and achieve decarbonisation targets in real-world conditions, and that technology neutrality should be the core regulatory principle, safeguarding that all technologies – from all-electric vehicles to (plug-in) hybrids, range extenders, highly efficient internal-combustion-engine (ICE) vehicles, and decarbonised fuels – can contribute to decarbonisation. The Mercedes-Benz Group regards the electrification of its product range as the most important contribution to decarbonising the use phase of its vehicles. Furthermore, improving the energy efficiency of vehicles is a key lever. To promote electric mobility, the Group is also expanding its charging infrastructure.

In the use phase of Mercedes-Benz Group vehicles, CO_2 emissions may arise during fuel and electricity production (well-to-tank) and during operation (tank-to-wheel). A comparison of CO_2 emissions during the use phase of internal combustion engine vehicles, all-electric vehicles and plug-in hybrids shows that, in the case of all-electric vehicles and plug-in hybrids, the focus is shifting more towards electricity production. Charging with electricity from renewable sources is therefore an essential factor in reducing CO_2 emissions of these drive variants.

Against this backdrop, the initiative Renewable Charging represents an important step towards the decarbonisation of mobility. In this way, the Mercedes-Benz Group enables its customers to charge their vehicles using electricity generated from renewable energy sources. If electricity from renewable sources is not yet available at the particular charging station, Renewable Charging uses green electricity certificates. These ensure that, for charging via MB.CHARGE Public, an equivalent amount of electricity from renewable sources is fed into the grid.

The planned measures are intended to reduce CO_2 emissions during the vehicle's use phase by around 80 % by 2039 compared to 2019, as market conditions allow. Electrification of the product range is crucial to achieving this reduction. Mercedes-Benz Cars and Mercedes-Benz Vans are paving the way for this transformation by offering all-electric vehicles in every segment. The pace of the transformation is determined by market conditions, infrastructure and consumer behaviour.

Electrification of the vehicles

All-electric vehicles
The Mercedes-Benz Group intends to further expand its range of electric vehicles across all model variants and vehicle types. In 2025, the all-electric versions of the CLA, CLA Shooting Brake, GLB and GLC were unveiled.

Between 2025 and 2027, the company plans to launch 14 all-electric models and to offer at least one all-electric variant in every segment.

With the Mercedes-Benz Modular Architecture (MMA), the Group has developed an architecture designed primarily for electric vehicles. In 2025, the Mercedes-Benz Group unveiled the new all-electric CLA – the first vehicle developed on the MMA platform. The new electric GLC, launched in 2025, and the new electric C-Class, launched in 2026, were the first vehicles to be developed on the basis of the new Mercedes-Benz Electric Architecture (MB.EA).

The expansion of electric mobility is also progressing in the van sector at Mercedes-Benz Vans. All model series at Mercedes-Benz Vans are already electrified. Customers and body manufacturers can choose an all-electric van in every segment – for both commercial and private use. Since 2026, all newly developed medium-sized and large all-electric vans from Mercedes-Benz Vans have been based on the modular, flexible and scalable Van Electric Architecture (VAN.EA). In early 2026, the all-electric VLE was unveiled – the first vehicle based on the new architecture.

Plug-in hybrids
On the way to the all-electric future, plug-in hybrids are also a bridging technology. The combination of electric drive and combustion engine enables temporarily local CO_2 emission-free driving. The drive – consisting of electric motor and high-voltage battery – enables purely electric journeys.

Efficient vehicle concept

Efficient driving and charging reduce the life-cycle CO_2 footprint – and are therefore levers for achieving the Mercedes-Benz Group's climate-related ambitions. Consequently, the Group is already focusing on designing entire vehicle concepts to be energy-efficient right from the early development phase, taking into account all relevant areas: aerodynamics, powertrain, rolling resistance, weight, thermal management and on-board power network.

In 2025, the Mercedes-Benz Group unveiled the new all-electric CLA – the first vehicle developed as part of the MMA (Mercedes-Benz Modular Architecture) – with a focus on efficiency and electric range. Thanks to its drive efficiency and aerodynamics, the CLA 250+ with EQ-Technology (combined energy consumption: 14.1–12.2 kWh/100 km | combined CO_2 emissions: 0 g/km | CO_2 class: A) offers a range of up to 792 kilometres according to WLTP[14,15,16].

The technology that can achieve these values is based on the findings of the VISION EQXX technology programme. Within the programme, actions were identified that can further reduce previous energy losses. The new drivetrain, based on the VISION EQXX, from the battery to the wheels, can achieve an efficiency of up to 93 % on long-distance journeys.

Charging

Public charging with Mercedes-Benz

The global Mercedes-Benz charging service MB.CHARGE Public[17] offers Mercedes-Benz charging solutions for the road. Through MB.CHARGE Public, private and business customers of Mercedes-Benz electric vehicles and plug-in hybrids across four continents have easy access to a global charging network comprising over 3 million charging points[18] operated by more than 1,500 charging station operators. More than 1,000,000 of these charging points are located in Europe, of which over 180,000 are in Germany. Mercedes-Benz is continuously expanding the charging network to which MB.CHARGE Public provides access through its own initiatives to develop public charging infrastructure worldwide. Over 40,000 charging points – comprising those in Mercedes-Benz's own global charging network and those operated by the joint ventures IONITY, IONNA and IONCHI – are set to be established in Europe, North America and China by the end of the decade.

[14] The figures stated were determined in accordance with the prescribed WLTP (Worldwide Harmonised Light Vehicles Test Procedure) measuring method. The spans stated refer to the European market.

[15] The actual range depends on numerous factors, including, in particular, individual driving style, environmental conditions, battery ageing, auxiliary consumers such as air conditioning, optional extras, tyres, payload and the route profile, and may therefore differ from the WLTP figure stated.

[16] More information: 360° Environmental Check Mercedes-Benz CLA with EQ Technology

[17] To use the Digital Extras, it is necessary to create a Mercedes me ID and agree to the Terms and Conditions for Digital Extras and the Mercedes me ID Terms and Conditions, in the respectively current version. In addition, the relevant vehicle must be paired with the user account. At the end of the limited term, the Digital Extras can be renewed for a fee, provided they are then still offered for the respective vehicle. In order to be able to use the Digital Extra MB.CHARGE Public, a separate charging contract with a selected third-party provider is required, via which the charging processes are paid for and invoiced.

[18] The number of charging points may vary depending on the vehicle model. Some models, for example, require a 400V/800V converter, the availability of which depends on the specification and the country.

Renewable Charging

Mercedes-Benz is committed to using electricity generated from renewable energy sources. Renewable Charging is an integral part of MB.CHARGE Public in Europe, Canada, the USA and China. If electricity from renewable sources is not yet available at the particular charging station, MB.CHARGE Public uses green electricity certificates. These ensure that, for charging via MB.CHARGE Public, an equivalent amount of electricity from renewable sources is fed back into the grid. They come exclusively from wind and solar power plants that are less than six years old. Renewable Charging is also a key component of Mercedes-Benz's own global charging network, which enables all electric vehicle drivers to charge their vehicles using electricity from renewable energy sources. This is achieved primarily through green electricity supply contracts, wherever possible, or through the use of green electricity certificates.

Renewable Charging is already helping to reduce CO_2 emissions in the use phase at the Mercedes-Benz Group. In order to achieve a further reduction in emissions, the Group plans to expand Renewable Charging into further markets and use cases.

2.2 Supply chain

Decarbonising the supply chain plays a key role for the Mercedes-Benz Group in achieving its climate-related ambitions. The Group regards the use of CO_2-reduced production materials[20] as a key factor in decarbonising the supply chain. The Mercedes-Benz Group is focusing in particular on key materials such as steel, aluminium, polymers and battery cells, as their production is CO_2-intensive and energy-intensive.

With the rise of electrification, batteries in particular are coming increasingly into focus. The battery is the single component of an electric vehicle with the highest CO_2 footprint. The Group is therefore committed to sourcing battery cells manufactured using renewable energy in order to further reduce CO_2 emissions.

The Group has planned measures to reduce CO_2 emissions in the supply chain. These measures are expected to lead to a reduction in CO_2 emissions in the supply chain of around 60 % by 2039, compared to a scenario in which they are not implemented. Compared to 2019, this represents a reduction of around 20 %. In order to achieve this reduction, it is essential that the market for CO_2-reduced production materials continues to expand and that the cost-effective further development of these materials is ensured.

Transformation at the suppliers
For future model series and vehicle architectures, suppliers of Mercedes-Benz Cars and Mercedes-Benz Vans must meet CO_2 reduction targets and implement appropriate actions. This applies in particular to suppliers of components and focus materials. To support the transformation of suppliers and business partners, Mercedes-Benz Cars and Mercedes-Benz Vans use two instruments:

- Mercedes-Benz Cars and Mercedes-Benz Vans have integrated target values for CO_2 emissions into their award criteria. The focus is on CO_2-intensive components and materials. The targets do not only apply to direct suppliers; they also apply to the upstream extraction of raw materials and the production of components.

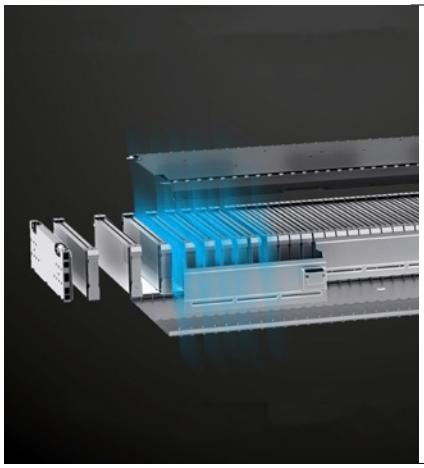
- In addition, Mercedes-Benz Cars and Mercedes-Benz Vans are working with selected partners to reduce CO_2 emissions in the supply chain through innovative technologies. The focus is on the manufacture of important components such as battery cells and body-in-white components.

The Mercedes-Benz Group has set out the guidelines for responsible supply chain management in its Responsible Sourcing Standards (RSS). As the key contractual document setting out sustainability requirements for suppliers, these standards are applied internationally. They set out requirements in areas including environmental due diligence, climate protection, climate change, resource conservation, biodiversity, deforestation and water, among others. In the area of climate protection and climate change, the Group requires its suppliers to use efficient technologies and materials, utilise renewable energy and minimise land sealing. In addition, suppliers must develop appropriate corporate targets for their CO_2 emissions, implement measures and report regularly to the Mercedes-Benz Group on their progress.

[20] CO_2-reduced production materials are materials whose manufacture involves lower CO_2 emissions than conventional production methods.

CO_2-reduced production materials

To reduce CO_2 in the supply chain, Mercedes-Benz Cars and Mercedes-Benz Vans are focusing on materials and components that cause high CO_2 emissions. Based on the results of the supplier consultations, quantitative interim targets were derived for the CO_2 emissions in the supply chains, and the target values were incorporated into the award criteria. Mercedes-Benz Cars and Mercedes-Benz Vans use CO_2 targets as key criteria when awarding contracts for particularly CO_2-intensive components.

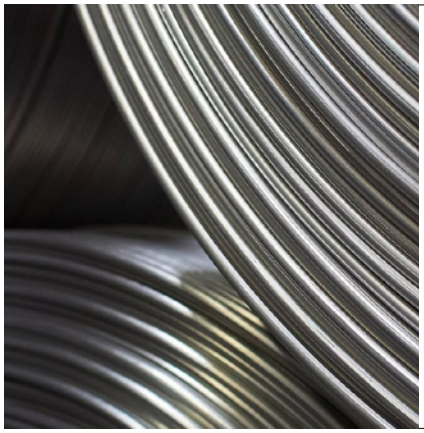


Batteries

- New battery generation in the new CLA: A reduction in the CO_2 footprint of around 30 % per cell compared with conventional manufacturing, achieved through CO_2 reduction measures and the use of electricity from renewable energy sources in the production of anodes, cathodes and cell housings.
- The use of recycled materials in the manufacture of cathodes and cell housings for battery production for future architectures.

Steel

- Global partnerships to facilitate the procurement of CO_2-reduced steel.
- Partnerships and offtake agreements to decarbonise the steel supply chain: Development of industrial direct reduction plants and melting units as key prerequisites for decarbonisation.



Aluminium

- At least one third of the primary aluminium, which has been used by the Mercedes-Benz Group in Europe for newly launched electric models since 2025, is produced using renewable energy.
- Technology partnerships with aluminium producers to bring low-CO_2 primary aluminium and aluminium containing 75 % post-consumer recycled content into series production.

2.3 Production, logistics and end-of-life

Decarbonising the own production and logistics, as well as the management of end-of-life vehicles also makes a significant contribution to achieving the Mercedes-Benz Group's climate-related ambitions.

Production

In production, the Mercedes-Benz Group wants to reduce CO_2 emissions worldwide and avoid them wherever possible. To this end, the Mercedes-Benz Group is focusing on the purchase of green electricity, the expansion of renewable energies, the decarbonisation of heat supply and the optimisation of energy efficiency at its own locations. In recent years, the Group has implemented extensive measures and is planning further far-reaching measures for the coming years to reduce CO_2 emissions in production. These measures are intended to reduce CO_2 emissions in production by 90 % by 2039 compared to 2019. Achieving this reduction depends not only on the Group's own measures but also on external factors, in particular the decarbonisation of the district heating supplied to individual production locations.

Green electricity procurement and expansion of renewable energy sources

In 2025, renewable energy sources already covered 51 % of the total energy consumption of the Mercedes-Benz Cars production locations worldwide. At Mercedes-Benz Vans, the proportion in total energy consumption was 39 %.

The procurement of green electricity plays a key role in the decarbonisation of production. The locations of the Mercedes-Benz Group obtain 100 % of their external electricity from renewable energy sources. In Germany, the Mercedes-Benz Group currently relies on a mix of solar, wind and hydropower for external electricity procurement.

The Mercedes-Benz Group is committed to the expansion of renewable energies at its locations worldwide. Photovoltaic systems have already been installed at numerous sites and are helping to provide a local supply of renewable electricity. Further facilities are currently being planned and implemented with a view to gradually increasing the installed capacity.

Another key focus of the Group's energy strategy is the expansion of its portfolio to include wind energy from onshore and offshore wind farms. In the offshore sector, the Group has concluded a Power Purchase Agreement (PPA) with an energy supplier for the supply of electricity from the Windanker wind farm in the Baltic Sea. This will enable Mercedes-Benz AG to secure 140 MW of electricity from renewable energy sources from 2027 onwards, thereby covering around 30 % of its electricity needs in Germany.

Work has begun on the installation of a wind farm at the Mercedes-Benz testing site in Papenburg, northern Germany. Around 20 wind turbines with a total capacity of around 140 MW are currently being erected on the site. In future, up to 20 % of Mercedes-Benz AG's annual electricity needs in Germany will be sourced from the wind farm under a PPA.

Heat supply
The Mercedes-Benz Group is taking various measures to further reduce its use of fossil fuels and thereby further reduce CO_2 emissions. Surface geothermal energy, heat from biomass heating plants and district heating with renewable energy components are already being used at individual production sites. In the next years, this portfolio will be expanded to include additional heat pumps powered by green electricity. Furthermore, plans are in place to effectively utilize waste heat from production and to electrify production processes.

Energy efficiency and consumption
Various measures are being taken to optimise energy efficiency and reduce energy consumption. The Group raises employee awareness of energy conservation to strengthen understanding and engagement, through visible tips, training and initiatives. When procuring new production facilities and renovating buildings, the Mercedes-Benz Group also ensures a high level of energy efficiency through standardised processes, training and checklists.

Another measure to increase energy efficiency is the targeted control of energy supply and building technical systems. The Mercedes-Benz Group is using new technologies to further optimise existing energy-intensive processes. For example, the Group has thus begun to optimise the energy efficiency of its production facilities and robots using a data-driven approach during series production. This allows the process to be designed to be more demand-oriented and thus more energy-efficient. In addition, the Group uses heat recovery systems, for example, in the buildings' ventilation systems.

Support for climate change mitigation projects
Since 2022, the Mercedes-Benz Group has been supporting qualified climate change mitigation projects in an amount equivalent to the remaining CO_2 emissions (Scope 1 and Scope 2) from its sites. Remaining emissions arise in particular from natural gas-powered combined heat and power plants that generate electricity and heat.

Further information on investments in climate change mitigation projects:

Chapter "Climate change mitigation projects and CO_2 removal"

Logistics

In transport logistics, the Mercedes-Benz Group wants to reduce CO_2 emissions worldwide and, where possible, avoid them. To this end, the Group relies on local-for-local approaches to shorten transport routes, optimise transport networks and processes, and ensure an efficient mix of transport modes. The Group has planned measures to reduce CO_2 emissions in logistics. The planned measures are intended to reduce CO_2 emissions by around 45 % by 2039 compared to 2019. Achieving this reduction depends not only on the Group's own measures but also on external factors, in particular the availability of alternative fuels and technologies and their economic viability.

The Mercedes-Benz Group's approach is to shift transport increasingly to rail and to avoid air freight as far as possible. At the same time, transport networks and processes are continuously optimised in order to reduce transport requirements and make more efficient use of existing capacity.

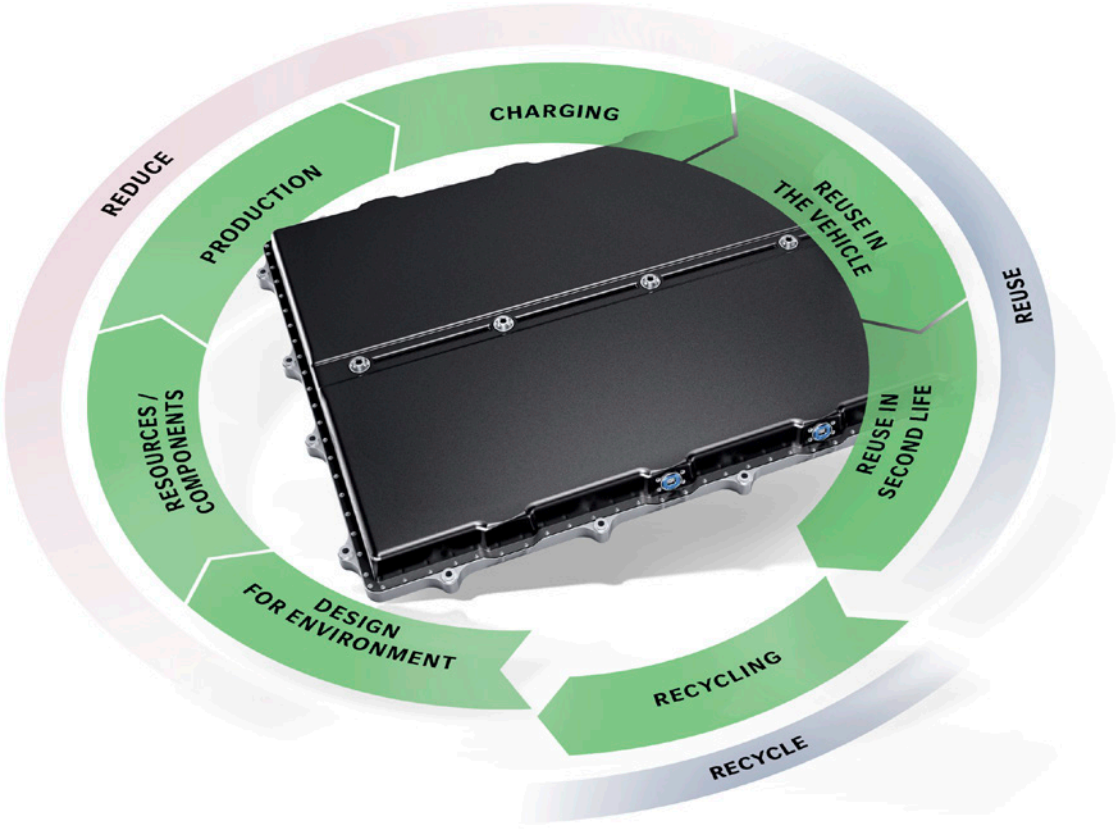
Furthermore, the Mercedes-Benz Group, in collaboration with logistics service providers, is committed to the use of CO_2-reduced energy sources and technologies across all modes of transport. These include alternative fuels in maritime transport, Sustainable Aviation Fuel (SAF) in aviation, and hydrotreated vegetable oil (HVO) and electric trucks in road transport. Implementation depends on the availability of suitable energy sources and technologies.

End-of-Life

The Mercedes-Benz Group's responsibility for its products extends across the entire life cycle of the vehicle. At the end of the life cycle, CO_2 emissions arise, particularly in connection with the dismantling and treatment of vehicles. The Mercedes-Benz Group's approach is to ensure that suitable materials are returned to the material cycle.

When developing products, the Mercedes-Benz Group keeps the circular economy in mind from the start and creates a recycling concept for each new model series. To this end, all components and materials are analysed and their suitability for the various stages of the recycling process is assessed. Battery recycling will play an important role in this in the future.

With a view to the future return of lithium-ion battery systems from electric vehicles, Mercedes-Benz has designed its own battery recycling factory as a combined mechanical-hydrometallurgical plant that serves as a prototype. The aim is to build up expertise in the recycling of valuable materials and thus secure strategic raw materials in the long term. The Mercedes-Benz battery recycling factory in Kuppenheim covers every step: From dismantling at the module level to shredding and drying and processing of battery-grade materials. The process design of hydrometallurgy with recovery rates of more than 90 percent is intended to enable a real circular economy of battery materials. As part of the overarching scientific research project, the entire process of battery recycling is also taken into account.



Other environmental aspects

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In addition to its decarbonisation measures, the Mercedes-Benz Group is pursuing further approaches to reduce its environmental impact. The responsible use of resources, the careful management of water and the reduction of waste volumes are further key elements in protecting the environment and the global climate system.

3.1 Resource conservation

The ever-increasing global consumption of resources is having a negative impact on the environment and society. Extracting and processing primary raw materials is often energy-intensive and can lead to emissions of greenhouse gases and other pollutants. To minimise the consumption of primary resources, the Mercedes-Benz Group aims to increasingly decouple its resource consumption from the growth in its production output. The focus is on aluminium, steel and plastics, as these are required in large quantities for vehicle production and are particularly energy- and resource-intensive.

Mercedes-Benz Cars and Mercedes-Benz Vans strive to limit the amount of primary material and increasingly reduce it through the use of secondary materials. For new Mercedes-Benz vehicles, the Mercedes-Benz Group specifies a minimum secondary materials content for each focus material in its requirement specifications. Within the next decade, the use of secondary raw materials is to be increased to 40 % in line with Ambition 2039.

Already during vehicle development, Mercedes-Benz Cars and Mercedes-Benz Vans adopt the “Design for Environment” approach. During the conception phase, experts review the composition of the materials. They explore alternatives, use recycled materials and focus on lightweight construction and recyclability. The aim of this is to make the vehicles more resource-efficient throughout their entire life cycle.

Mercedes-Benz Cars and Mercedes-Benz Vans already use recycled materials in all series-produced vehicles. In 2025, the share of secondary materials in the Mercedes-Benz Cars and Mercedes-Benz Vans vehicle fleet was 17.6 %. In many vehicles, this includes upholstery fabrics for the interior, which are made from up to 100 % recycled PET, for example, as well as leather-free equipment variants comprising up to 73 % recycled material. In collaboration with Pyrum Innovations AG and BASF SE, a new type of recycled plastic is being created through the chemical recycling of used vehicle tyres. The Mercedes-Benz Group is already using this innovative plastic in series production for various components and intends to continue using chemical recycling for other plastic components in vehicles. These secondary materials can help to reduce CO_2 emissions in the manufacturing process of the materials and to lower the primary resource demand.

Two feasibility studies investigated the reprocessing of end-of-life materials for use in vehicle components. In collaboration with BASF SE, two different recycling processes – depolymerisation and solvolysis – were evaluated. Automotive shredder residues (ASR) and heavily contaminated, used oil pans served as input streams in these studies. The innovative recycling methods are intended to reintegrate end-of-life materials into the material cycle and reuse them in vehicle production.

In order to continuously increase the availability of such secondary materials, it is essential to expand both existing and new recycling technologies. Pilot projects along the value chain are of central importance to continuously broaden the range of recycling processes used and to gain sound insights.

Further information on resources conservation and promoting the circular economy:

Mercedes-Benz Group Annual Report 2025, Chapter Resource use and circular economy (from page 159), in the respective current version

3.2 Waste

The Mercedes-Benz Group aims to keep the amount of waste generated in production as low as possible and to reduce it continuously.

The Mercedes-Benz Group is implementing targeted measures to reduce the volume of waste generated in production. In Europe, the Mercedes-Benz Group records waste according to waste code numbers and disposes of it in accordance with legal regulations. The Mercedes-Benz Group works with licensed and certified waste disposal companies to ensure the professional disposal of waste.

With the help of new and optimised production processes and partnerships throughout the entire value chain, the Mercedes-Benz Group reduces waste and prepares it for reuse or recovery.

To ensure transparency regarding internal waste streams, Mercedes-Benz AG implemented an IT and measurement system at its German sites in 2024 and was already able to gain insights into these streams by 2025. This enables measures to be taken to reduce waste.

The Mercedes-Benz Group also continues to reduce waste such as offcuts, sands, and sludges through new or optimised production processes. Various measures – including reducing scrap quantities in axle production, optimising laser welding and optimising cutting in the millimetre range in press part production – enable further waste reduction.

Further information on waste management and the Mercedes-Benz Group's waste volumes:

Mercedes-Benz Group Annual Report 2025, Chapter Resource use and circular economy (from page 159), in the respective current version

3.3 Water

Water is an indispensable resource for the environment and society. The Group has the ambition to conserve water resources through efficient use and to avoid water pollution through comprehensive prevention. Innovative solutions such as wastewater treatment and water recycling are part of the strategy.

The Mercedes-Benz Group wants to reduce water supply (water supply = water withdrawal – transfer to third parties) at its locations - for example, through recycling, i. e., the repeated treatment and use of water for production purposes. Additionally, it aims to cease the use of drinking water for the main production processes at its production plants. If the site-specific conditions allow, rainwater and surface water should be used.

To achieve the objectives outlined above, the Mercedes-Benz Group is implementing targeted measures at its own sites. For cooling in production, the Mercedes-Benz Group is relying on replacing open cooling towers with closed and hybrid cooling systems. Treating and reusing wastewater is a major lever for the Mercedes-Benz Group to reduce water supply.

In June 2023, the Group launched a pilot project in wastewater recycling together with the operator of the municipal sewage treatment plant at the Sindelfingen site (Germany). Part of the drinking and well water used, will be replaced in production by treated municipal wastewater. In 2025, the site was able to save 197,369 m³ of drinking and well water. Another pilot test at the Mettingen section of the Untertürkheim site in Germany confirmed that the almost closed cycle saves considerable amounts of water. From 2028, all production and sanitary wastewater at the site is to be treated using a wastewater recycling installation and fed back into the existing industrial water network. The same action is being tested for other locations.

Further information on water management and the Mercedes-Benz Group's water consumption:

Mercedes-Benz Group Annual Report 2025, chapter on Water and marine resources (from page 153), in the respective current version

Calculation basis and transparency

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4.3 | Climate change mitigation projects and CO_2 removal

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4.1 Calculation of greenhouse gas emissions

The Mercedes-Benz Group calculates and documents its greenhouse gas emissions in Scope 1 to Scope 3 in accordance with the Corporate Accounting and Reporting Standard 2004 and the Corporate Value Chain Standard 2011 of the Greenhouse Gas (GHG) Protocol Initiative.

It covers all direct emissions from sources for which the Group is directly responsible or which it controls (Scope 1), all indirect emissions from purchased energy, such as electricity or district heating, which is generated externally, but consumed by the Group (Scope 2), and all indirect emissions that occur in the Group's value chain, both upstream and downstream emissions (Scope 3).

To achieve its Ambition 2039, the Group considers CO_2 emissions[21] across the relevant value chain stages. The Mercedes-Benz Group has defined the following relevant value chain stages: the supply chain (Purchased goods and services, 3.1 & 3.10, Processing of sold products), production (Scope 1 and 2), logistics (Upstream transportation and distribution, 3.4), the use phase (Use of sold products, 3.11), and the dismantling and treatment of vehicles (End-of-life treatment of sold products, 3.12). Within these value chain stages, the vast majority, 97 %[22] , of the total Scope 1–3 emissions reported by the Mercedes-Benz Group are generated[23].

The largest proportion of the Mercedes-Benz Group's greenhouse gas emissions arises in the use phase, i. e. during fuel and electricity production (well-to-tank) and during the operation of its products (tank-to-wheel). The Mercedes-Benz Group calculates these emissions based on, amongst other things, the global unit sales figures and the average standardised CO_2 fleet value of the annual new vehicle fleet. Using a model approach that includes all vehicle segments, an annual mileage of 20,000 km is assumed. The assumed operating life is ten years. In total, the mileage based on this calculation amounts to 200,000 km per vehicle. Further indirect emissions from the supply chain (purchased goods and services, Category 1) or in connection with the recycling of vehicles (Category 12) are calculated using vehicle-specific life cycle assessments in accordance with ISO 14040/44.

Further information on the calculation of greenhouse gas emissions and the latest emissions data:

Mercedes-Benz Group Annual Report 2025, chapter on gross greenhouse gas emissions (from page 140), in the respective current version

[21] CO_2 emissions are taken into account as part of Ambition 2039. In addition, other greenhouse gases are taken into account for the purposes of reporting in the Mercedes-Benz Group's annual report.

[22] 2025 status

[23] See Annual Report 2025, chapter on gross greenhouse gas emissions (from page 140) in the respective current version

4.2 Transparency in the supply chain

The complex supply chains in the automotive industry pose a particular challenge for data transparency. This is why the Mercedes-Benz Group is a founding member of the Catena-X co-operation project. This is intended to enable secure, sovereign and standardised data exchange across all stakeholders in the automotive value chain. Catena-X is intended, amongst other things, to support the Mercedes-Benz Group in checking whether and to what extent suppliers are complying with sustainability requirements. From the raw materials mines to recycling, every company's data chain is to be supplemented with CO_2 data. This is intended to enable a product-specific CO_2 footprint with the highest possible proportion of primary data.

4.3 Climate change mitigation projects and CO_2 removal

The Mercedes-Benz Group aims to reduce CO_2 emissions from its own operations and along its entire value chain. By 2039, CO_2 emissions are to be reduced by 90 % in own production, by 80 % in vehicle use phase – as market conditions allow – and overall by 70 % across all relevant value chain stages compared to 2019. In addition, the Mercedes-Benz Group supports qualified climate change mitigation projects that meet recognised standards. By 2049 at the latest, the Mercedes-Benz Group intends to achieve net zero[24]. From that point onwards, the Group intends to permanently neutralise remaining CO_2 emissions (< 10 %).

Since 2022, the Mercedes-Benz Group has been supporting qualified climate change mitigation projects in an amount equivalent to the CO_2 emissions (Scope 1 and Scope 2) from its sites. The Group attaches great importance to the integrity and quality of its climate change mitigation projects. All projects must comply with international accounting requirements and the quality requirements of the Gold standard (high-quality certification standard developed under the leadership of World Wide Fund for Nature (WWF) and with the Federal Ministry for Environment) or other high-quality standards. In addition, the Mercedes-Benz Group has new climate change mitigation projects reviewed by an independent third party or uses recognised project ratings. This serves to minimize risk and helps to identify negative impacts, for example on the environment and society in the project countries, at an early stage.

The Mercedes-Benz Group's portfolio of climate change mitigation projects is also being continuously developed. Since 2023, the focus has been gradually shifting from conventional climate change mitigation projects that reduce emissions to carbon removal. Both technological and biological removal solutions play a role here.

The Mercedes-Benz Group's contribution to climate change mitigation through carbon credits is an additional measure that does not affect the Group's commitment to achieving its reduction targets in any way. CO_2 emissions and corresponding reduction targets are tracked and reported independently of climate change mitigation projects.

[24] Net zero means that CO_2 emissions across all relevant value chain stages will be reduced by at least 90 % compared to 2019. Remaining CO_2 emissions (< 10 %) will be neutralised permanently.

Appendix

Climate-related ambitions and targets of the Mercedes-Benz Group overview

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Further environmental ambitions and targets of the Mercedes-Benz Group

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Independent auditor’s report

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Climate-related ambitions and targets of the Mercedes-Benz Group overview

The Mercedes-Benz Group has set itself climate-related ambitions and targets. The focus of the efforts is on actual avoidance and reduction of CO_2 emissions, which is to be achieved primarily through the transition towards decarbonising the product range and through technological innovation across all life cycle phases.

Ambitions and targets	Time horizon
Overarching	
By 2039, CO_2 emissions are to be reduced by 90 % in own production, by 80 % in vehicle use phase – as market conditions allow – and overall by 70 % across all relevant value chain stages compared to 2019[1].	2039
By 2049 at the latest, the Mercedes-Benz Group intends to achieve net zero[2].	2049
Mercedes-Benz Logistics and Production	
Reduce CO_2 emissions in logistics by 45 % compared to 2019.	2039
Reduce CO_2 emissions in production (Scope 1[3] and 2[4]) by 80 % compared to 2018[5].	2030
Increase the share of renewable energies in production to 90 %.	2039
Milestone: Increase the share of renewable energies to cover energy consumption to 70 % at Mercedes-Benz Cars and to 80 % at Mercedes-Benz Vans.	2030
Mercedes-Benz Cars: Reduce the specific energy consumption in production per vehicle by 36 % compared to 2023[6].	2030
Mercedes-Benz Vans: Reduce the specific energy consumption in production per vehicle by 16 % compared to 2023[7].	2030

[1] In addition, the Mercedes-Benz Group supports qualified climate change mitigation projects that meet recognised standards.
[2] Net zero means that CO_2 emissions across all relevant value chain stages will be reduced by at least 90 % compared to 2019. Remaining CO_2 emissions (< 10 %) will be neutralised permanently.
[3] Scope 1: emissions from sources for which the Group is directly responsible or which it controls.
[4] Scope 2: indirect emissions from purchased energy, such as electricity or district heating, which is generated externally but consumed by the Group. The target is based on the market-based approach.
[5] The set reduction target, to reduce CO_2 emissions in its own plants (Scope 1 and 2) by 50 % compared to 2018 by 2030, was confirmed by the SBTi as 1.5°C-aligned according to the standard valid at the time in line with the Paris Climate Agreement. Since this target was already achieved in 2022, the Mercedes-Benz Group aims to further reduce CO_2 emissions in production (Scope 1 and Scope 2) and has increased its reduction target to minus 80 %.
[6] In 2023, the specific energy consumption in production at Mercedes-Benz Cars was 2.97 MWh/vehicle.
[7] In 2023, the specific energy consumption in production at Mercedes-Benz Vans was 2.26 MWh/vehicle.

Further environmental ambitions and targets of the Mercedes-Benz Group

In addition to its climate-related ambitions and targets, the Mercedes-Benz Group has set itself further environment-related ambitions and targets. These include targets for resource conservation, reducing water supply and reducing waste volumes.

Ambitions and targets	Time horizon
Resource conservation	
Increase the use of secondary raw materials to 40 % in line with “Ambition 2039”.	Within the next decade
Waste	
Reduce the total amount of waste per vehicle in production by 19 % (Mercedes-Benz Cars) and 16 % (Mercedes-Benz Vans) compared to 2023[1].	2030
Reduce the waste for disposal per vehicle in production by 54 % (Mercedes-Benz Cars) and 71 % (Mercedes-Benz Vans) compared to 2023[2].	2030
Water	
Mercedes-Benz Cars: Reduce water supply per vehicle by 50 % compared to 2023[3].	2030
Mercedes-Benz Vans: Reduce water supply per vehicle by 19 % compared to 2023[4].	2030

[1] In 2023, the total amount of waste per vehicle in production was 401.2 kg/vehicle (Mercedes-Benz Cars) or 103.3 kg/vehicle (Mercedes-Benz Vans).
[2] In 2023, the waste for disposal per vehicle in production was 3.5 kg/vehicle (Mercedes-Benz Cars) and 9.1 kg/vehicle (Mercedes-Benz Vans).
[3] In 2023, the water supply, excluding transfers to third parties, of Mercedes-Benz Cars was 4.03 m³/vehicle.
[4] In 2023, the water supply, excluding transfers to third parties, of Mercedes-Benz Vans was 3.32 m³/vehicle.

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Validation Report Summary of the Implementation Plan 'Climate Transition Action Plan 2026' of Mercedes-Benz Group

TÜV Rheinland Energy & Environment GmbH was commissioned by **Mercedes-Benz AG** to validate the

'Climate Transition Action Plan 2026' implementation plan with respect to the assessment criteria derived from the provisions of Directive (EU) 2024/825 ("EmpCo")

The validation included a structured assessment of the statements and presentation in the CTAP as well as a sample-based, in-depth plausibility assessment of selected measures and implementation elements. The CTAP was assessed against the assessment criteria derived from the provisions of EmpCo: *clarity and comprehensibility*, *objectivity and non-misleading presentation*, *verifiability and robustness of key assumptions*, *feasible implementation plan*, and *quality of targets and progress assessment*. The in-depth review covered the *binding nature of selected measures*, *allocation of resources*, and *internal governance*.

The key target and measure-related statements could be assessed in a transparent and substantiated manner against the assessment criteria derived from the provisions of EmpCo. The CTAP contains quantified and time-bound reduction targets for the main value chain stages. Target years, reference values, and scopes are generally identifiable; documented facts, corporate positioning, and forward-looking expectations are presented largely objectively and in a distinguishable manner. Documented evidence, planning information, and resource-related documentation are available for key statements and measures. For the samples reviewed, the documentation provided shows links between target specifications, operational instruments, and technical projects. The confirmation of relevant target and performance indicators by the responsible Executive Board committee, as well as measure-specific responsibility, approval, and decision-making references, also indicate that selected targets and measures are anchored at both strategic and operational levels.

Despite this overall positive assessment, certain limitations remain. When interpreting Ambition 2039, it should be considered that the term continues to be used although the associated reduction approach has changed compared with the previous version. Expected reduction effects are partly based on assumptions regarding collaborations, technological maturity, market ramp-up, and demand. These assumptions should be reviewed regularly during the continued implementation process. For the key measures reviewed as part of the sample, documented information relating to investments and resources is available. However, the linkage of this information with the planned measures, target pathways, and expected reduction effects is presented at varying levels of detail. Future validations should therefore consider the further development of the underlying assumptions and implementation-related evidence, as well as the assessment of progress and the handling of potential deviations.

As a result, the validation performed demonstrates for the areas reviewed that the CTAP 2026 addresses the assessment criteria derived from the provisions of EmpCo – *clarity and comprehensibility*, *objectivity and non-misleading presentation*, *verifiability and robustness of key assumptions*, *feasible implementation plan*, and *quality of targets and progress assessment* – in a transparent and substantiated manner. Based on the information provided, key target statements, key action areas, and selected implementation mechanisms are described transparently and can be substantiated on a reasonable basis.

A final legal assessment of conformity with Directive (EU) 2024/825 or the German Act Against Unfair Competition (UWG) was not part of the engagement. The detailed validation was performed on the basis of the final German version of the "Climate Transition Action Plan 2026". This English-language summary presents the results of that validation.

Cologne, September 18, 2026

Schmitt Florian
Sustainability Expert

Dr. Daniela Kölsch
Sustainability Consultant

This validation report documents the assessment of the CTAP within the agreed scope of work. It constitutes neither a certification nor an audit opinion within the meaning of a statutory financial statement audit and was not performed as an assurance engagement providing limited or reasonable assurance in accordance with a recognized assurance standard. This report does not confer any right to use a TÜV Rheinland certification mark, test mark, or seal.

This summary forms part of TÜV Rheinland's validation report and is published without modification as an excerpt from that report.

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September 2026