Scope 3 Emissions

Almost every entrepreneurial activity causes CO2 emissions. Also Daimler as a player within the context of a complex economic and societal system emits during the operational activities the greenhouse gas carbon dioxide. There are two major challenges which we committed ourselves to. First we have undertaken to reduce the CO2 emissions of our products and our production drastically (see also our Environmental Target Program). Second as one of the very first industrial companies we follow the principles of the "Greenhouse Gas Protocol" and publish our emissions according to this standard.

The Greenhouse Gas Protocol was developed under participation of several NGO´s as well as scientific supervision with the aim to standardize the emission reporting of companies and organizations. Restricting global warming is according to recognized experts achieved best if climate relevant gases are determined and reported through a standardized approach. By that emission reduction targets can be formulated consistently, and companies can be compared to each other.

The standard differentiates three areas of CO2 emissions named Scopes. Emissions which are only caused by energy and heat generation in Daimler power stations fall under Scope 1. Scope 2 emissions are those linked to electricity generation and town heating which we buy externally. Scope 3 emissions refer to those emissions which are generated before (upstream) or after (downstream) of our entrepreneurial activities. Amongst those count the CO2 emissions generated within the supply chain and those which are caused by the usage of our products in customer hands (driving). Also within Scope 3 count emissions generated by our employees travelling daily to and from work.

The GHG Protocol distinguishes a total of 15 categories within Scope 3. Of these only 13 categories are of relevance for Daimler and are calculated. The computation of the Scope 3 emissions is based on comprehensive systematic considerations and complex calculations. Daimler counts among the leading companies which have engaged from the beginning with Scope 3 and therefor have gained substantial expertise in this field. The calculation methods which we developed in scientific cooperation amongst others with the ETH Zürich have become in various aspects an industry standard. We continue to develop our data basis in order to refine the Scope 3 methodical approaches to further standardize within the automotive industry.

The lion´s share of our Scope 3 emissions of more than 70 % is caused in the usage phase of our products. These emissions are calculated for passenger cars based on our sales figures and the average CO2-fleet emissions. We hereby assume an annually travelled distance of 15,000 km. About one fifth of the Scope 3 emissions are generated in the supply chain through which we get our parts and services.

We are certain that Scope 3 reporting in future will play an important role in fighting the climate change. An increasing transparency amongst the emitters is the consequence and a competition to limit the emission of climate changing gases becomes possible. Daimler is well aware of the responsibility it has. This is why we not only set standards in decreasing our CO2 emissions but also are pioneers in CO2 reporting.

Tabelle Scope 3

Category	CO2 [Mt]	Share [%]
Purchased goods and services	17.2	20.8
Business travel	0.1	0.1
Employee commuting	0.3	0.3
Upstream leased assets	not relevant	
Use of sold products (here Mercedes-Benz Cars)	60.2	72.9
End of life treatment of sold products	1.0	1.2
Downstream leased assets	not relevant	

Overall the five reported categories already about 95 % of all CO_2 Scope 3 emissions.

Categories not reported:

Upstream leased assets

Due to the fact that Daimler reports by far most of the “upstream leased assets” under Scope 1 and Scope 2 and that identification of objects actually being “operative lease” would require a lot of work and expertise in the accounting field it is reasonably to say that this category is not relevant.

Downstream leased assets

For a vehicle manufacturer the leasing out of vehicles is the one of greatest relevance in this category. As the Scope 3 standard allows to count leased out vehicles under the category “Use of sold product” Daimler takes this approach. Buildings and equipment as leased assets Daimler already accounts for under the category “purchased goods and services”. For the above mentioned reasons the category “downstream leased assets” is not of relevance for Daimler.